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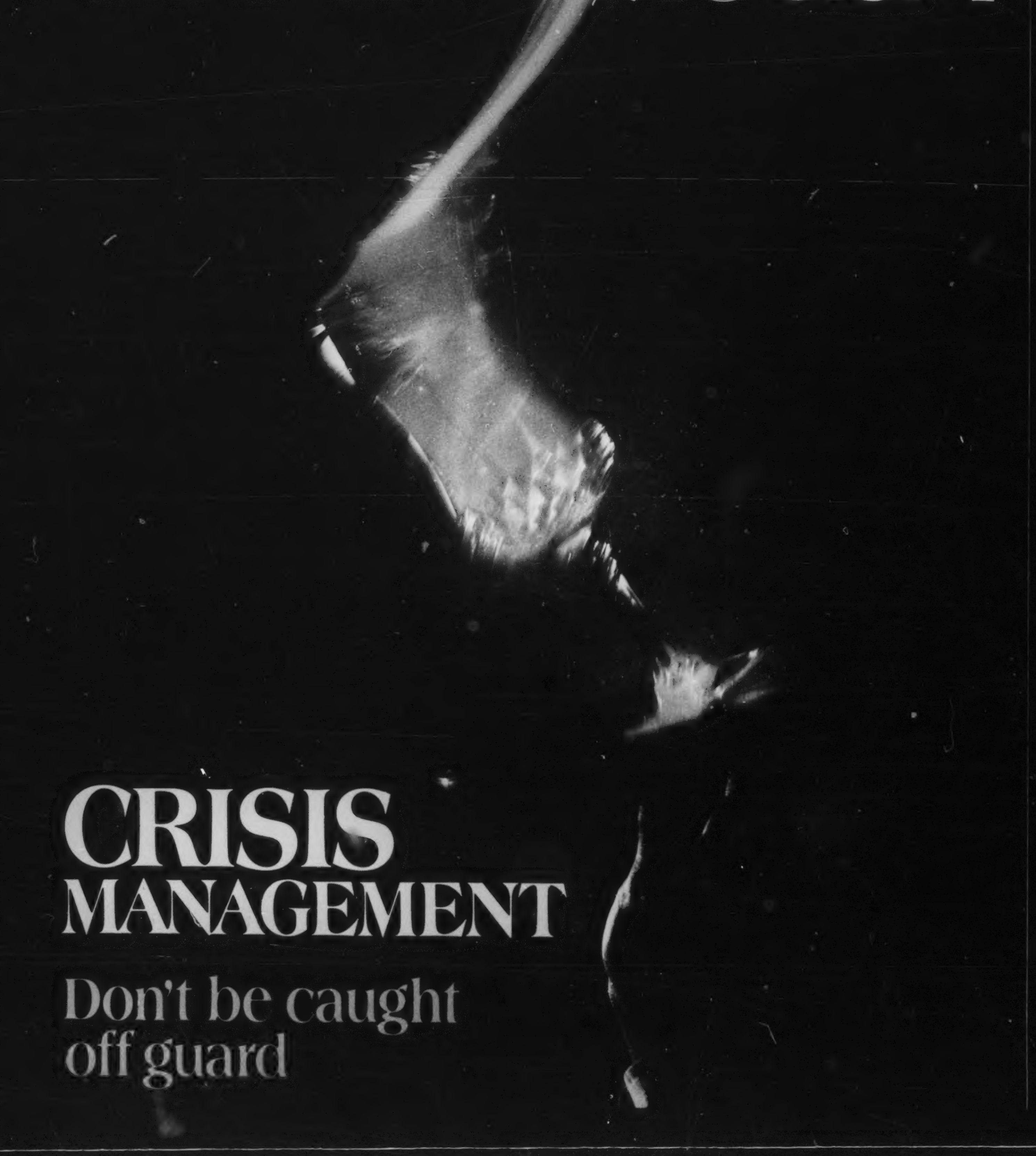
THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION
VOL. 7 ☐ NO. 10 ☐ NOVEMBER 1987

RESTAURANTSUSA



CRISIS MANAGEMENT

Don't be caught off guard

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

11/18	Tampa, FL
11/19	Milwaukee, WI
12/7	Aspen, CO
1/25	Washington, DC
1/27	Dallas, TX

Increasing Sales: Effective Front-of-the-House Management

11/16	Los Angeles, CA
11/17	Concord, CA
1/26	Oklahoma City, OK

Kitchen Management

12/1	Grand Rapids, MI
12/2	Bloomington, MN
12/7	Santa Monica, CA
12/8	Long Beach, CA
1/21	Oakland, CA
1/22	San Diego, CA

Foodservice Management Courses

Banquet Management

11/16	Baton Rouge, LA
11/18	Atlanta, GA

Beverage Management

11/17–18	Phoenix, AZ
12/8–9	Orlando, FL

Foodservice Computer Spreadsheets

1/20	Washington, DC

Foodservice Operators' Legal Workshop

11/16	Detroit, MI

Hiring in a Tight Labor Market

1/21	Philadelphia, PA
1/27	New York, NY

Menus That Sell!

1/20	Ventura, CA
1/28	Newport Beach, CA

Off-Premises Catering

11/16–17	Portland, OR
11/30–12/1	Washington, DC
1/20–21	New Orleans, LA

Operational Analysis

12/3–4	Baltimore, MD

Planning and Implementing Restaurant Marketing Strategy

12/9–10	Chicago, IL

Planning Successful Buffets

12/7	Jacksonville, FL
1/25	Chicago, IL

Profitability

11/16	Nashville, TN
11/17	Bloomington, MN
12/8	Denver, CO
12/10	Atlanta, GA
1/20	Toronto, Ontario, Canada
1/22	Halifax, Nova Scotia, Canada

Real Estate and Restaurant Site Selection

11/30–12/1	Honolulu, HI
12/7–8	Seattle, WA
1/25–26	San Francisco, CA

Restaurant Design

12/8–9	Atlantic City, NJ

Server Selling Skills Training

1/27	Austin, TX

Wine and the Bottom Line

12/1	Providence, RI
12/3	Raleigh, NC

Wine Server Training

1/21	Philadelphia, PA

**For more information, contact:
National Restaurant Association Educational Foundation
311 First St., N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.**

If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the above address.

NATIONAL CONFERENCES

Independent Foodservice Operators' National Conference
1/24–26 Miami, FL

National Conference on Computers in Foodservice
3/8–11 Orlando, FL

EXECUTIVE STUDY GROUP SERIES

Financial Officers
4/6–8 New Orleans, LA

Internal Auditors
4/26–29 Charleston, SC

Large Independent Operators
3/18–20 Monterey, CA

Management Information Systems (MIS—formerly EDP)
4/12–17 Scottsdale, AZ

Marketing Executives
5/18–21 Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)
5/18–20 Chicago, IL

Quality Assurance
April (TBA)

Tax Executives
4/6–8 New Orleans, LA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTS USA

VOL. 7 NO. 10 **NOVEMBER 1987**

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY

Association fighting FICA taxes on tips

Last month, the House Ways and Means Committee voted to include in its tax bill a proposal to make employers liable for Social Security taxes on tips. To determine how such a liability would affect your bottom line, do the following simple arithmetic: subtract the amount of tips deemed to be wages from your amount of reported tips. The amount leftover equals your additional yearly FICA payments.

Fortunately, the association's efforts to stop the FICA-on-tips bill have kept it out of the Senate Finance Committee's tax bill. The next stop, of course, is for the two chambers of Congress to convene and to iron out a joint tax bill. In order to make certain that the FICA-on-tips proposal is deleted from the final tax bill, we need your help.

Our objectives are as follows: to keep the FICA tax proposal out of the Senate bill when it reaches the floor and to persuade the House conferees to support the Senate position and delete the provision from their bill. To this end, I urge you to write your representatives and encourage them to vote against any increase of FICA taxes. Your voice is particularly important if your representative sits on the budget conference committee, but, ultimately, *all* senators and congressmen may have a vote to cast on this issue.

If we want to see this costly proposal deleted from the tax bill, the time to act is NOW. Write your Congressman today.

1988 industry forecast reveals continued growth

At a press conference in New York City this month, the 1988 economic forecast for the foodservice industry was revealed to trade and consumer press. The news is record breaking: For the first time in history, the industry will reach over $200 billion in sales in 1988. This marks the eighth consecutive year of real growth for foodservice. A complete report on the numbers, trends and issues which will affect the industry in 1988 will be included in next month's issue of ***Restaurants USA.***

Executive committee meets

Also in New York, the association's executive committee met to discuss the objectives of the five-year plan formulated last year. I am pleased to report that we are progressing on schedule with regard to the plan's three primary objectives: promotion, education and protection of the industry. With the five-year plan as our guideline, the association will continue to foster industry growth into the next decade.

Momentum building for INFO 88

INFO 88, the annual "thinking" forum for independent operators, is fast approaching. The dates are January 24–26, 1988; the site is the elegant Fontainebleau Hilton in Miami. Come join your peers for three days of workshops, presentations and gala social events—all geared specifically toward the interests of the independent operator. Contact the Education Foundation, (800) 424-5156, to register.

New seminars introduced

Six new seminars have been added to the association's education program roster. The seminars, to be conducted in various locations across the country beginning next year, include: Hiring in a Tight Labor Market; Foodservice Computer Spreadsheet; Do-It-Yourself Public Relations; Efficiency Food Workshop; and two seminars designed for servers—one on basic suggestive selling skills and the other on how to merchandise wine through service. Watch your mailbox for information on each of these new seminars or contact the Education Foundation.

Video promoting jobs in hospitality

Finally, in the video news department, the association is producing a video news release that promotes jobs in the hospitality industry. The release, to be disseminated to television news stations nationwide, emphasizes the career opportunities available not only for teenagers, but for senior citizens and the handicapped as well. The release is yet another effort in the association's campaign to ward off a labor shortage by promoting industry jobs.

It is my pleasure to welcome 170 new members who joined the National Restaurant Association in October. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

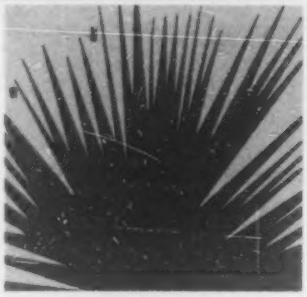
Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: CRISIS MANAGEMENT

15 **Planning ahead**
A crisis can happen in an instant, catching you off-guard and unprepared for the repercussions. While small, everyday emergencies are commonplace in a restaurant, operators may occasionally be faced with a true crisis—one that threatens to close an operation or endanger customer or employee well-being. The restaurateurs with the best chance of surviving are those who are armed in advance with a comprehensive crisis management policy—pre-emergency planning that can help contain a crisis before it gets out of hand.

21 **Crisis communication**
A well-planned crisis communications strategy can successfully defuse a potential disaster.



18 **Managing a safe, sanitary operation**
A safe sanitation program is a prime component of any crisis management plan.

SPECIALS

8 **1987 Public Affairs Conference**
Nearly 300 foodservice operators participated in this year's Public Affairs Conference, drawn by the opportunity to listen to national leaders and lobby legislators on current foodservice concerns.

12 **Winning the customer of tomorrow**
This timely viewpoint by Ted Balestreri, past president of the association, details the challenges facing restaurateurs and outlines how operators can attract and maintain customers in the years ahead.

24 **Restaurant T-shirts**
Looking for a low-cost way to boost bottom-line profits? Merchandising T-shirts may be your answer.

26 **Effective employee discipline**
Because many managers have a hard time disciplining employees, this article shows how keeping in close touch with employees can turn this sometimes unpleasant task into a constructive process.

29 **Fringe benefits**
Here's how restaurateurs are developing education and enrichment programs to ensure a more stable work force.

32 **Wine tour closeup**
This fall, a group of restaurateurs treated themselves to a taste of the wines of France by participating in the association's first overseas wine conference. This article is a day-by-day look at their adventures.

Cover photograph by Gary Landsman

DEPARTMENTS

6 **Short Orders**
☐ American Express announces new liquor liability program
☐ 150,000th Food Protection Certificate awarded
☐ Foodservice industry trade center opens

7 **Washington Report**
☐ Congress takes up FICA tax on tips
☐ High-risk notification bill passes House
☐ First penalty levied for immigration infraction
☐ City opposes takeout containers made with chlorofluorocarbons

11 **Board Room**
☐ Royals establish minority scholarship fund
☐ The Manor presents historic dinner
☐ Schreiner describes costs of new OSHA ruling

35 **Fisher's Law**
☐ Managing morale

36 **To Your Health**
☐ Is caffeine culpable?

38 **Foodservice Trends**
☐ The lucrative 25 to 34-year-old market
☐ 1986 restaurant sales up from 1985
☐ Employee turnover rates
☐ Beer: not for men only

45 **How's Business?**
☐ Operators discuss fall dining trends

47 **Food For Thought**
☐ An American chef for the White House
☐ Colonial grog and vittles hit Manhattan
☐ Too much of a hit?
☐ Dough to go

SHORTORDERS

American Express announces new liquor liability insurance program

In response to the restaurant industry's critical need for a reliable source of reasonably priced liquor liability insurance, the American Express Travel Related Services Company will soon offer its Express Protection Liquor Liability Insurance Program to restaurants that accept the American Express card.

American Express has committed $10 million to support the program. The insurance will be underwritten by a member company of American International Group, one of the world's largest insurance organizations. All restaurants that accept the American Express card will receive information about the liability insurance in the mail before December 1, 1987.

Because of American Express' financial commitment and the profile of the restaurants that accept the American Express card, Express Protection will provide coverage features and advantages not generally available, including:

☐ availability of coverage in all 50 states

☐ competitive rates determined by the experience of the American International Group and not negatively influenced by insurance market cycles or less attractive risks such as liquor stores and taverns

☐ policy limits of up to $2 million

☐ a "no deductible" option

☐ optional automatic premium deduction through the regular American Express payment system and

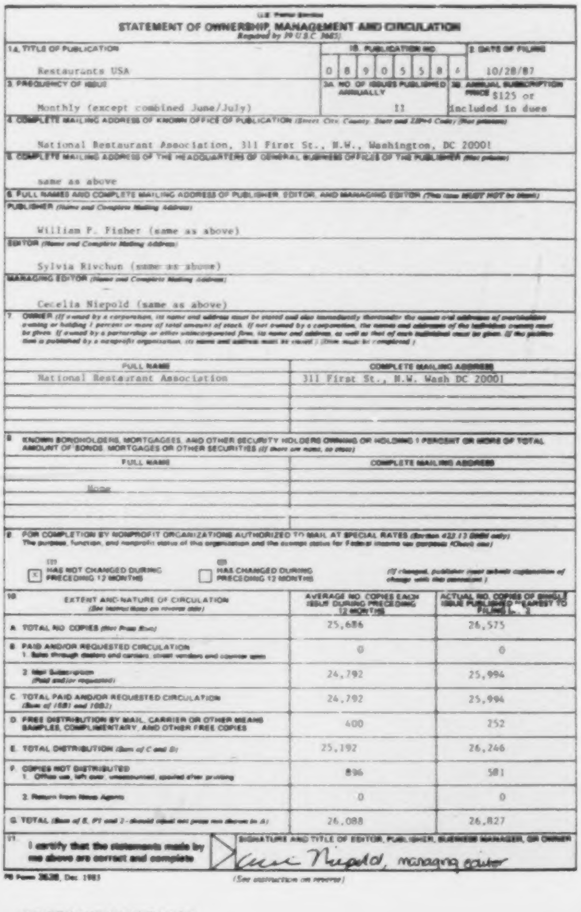
☐ potential dividends to policy holders in the event of favorable claims experience.

Express Protection will include incentives to restaurants to participate in educational programs regarding the responsible serving of alcoholic beverages.

A premium discount of 20 percent will be credited to an establishment if 50 percent of its employees successfully complete a certified alcohol awareness program approved by the underwriters.

150,000th Food Protection Education Certificate awarded

William C. Derby (second from left), operations director of Marriott's Saga education services at Western Illinois University in Macomb, Illinois, receives the 150,000th Certificate of Completion for Applied Foodservices Sanitation, a course of the Educational Foundation of the National Restaurant Association. Paul F. Martin (right), director of educational programs, makes the presentation as Norbert D. Weller, vice president of Marriott's human resources, foodservice management division, watches.



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PS Form 3526, Dec. 1985

(See instruction on reverse)

Foodservice industry trade center opens

The first permanent trade center for the restaurant and hospitality industry will open this month at the Culinary Arts Division of Johnson & Wales College in Providence, Rhode Island.

The Restaurant & Hospitality Trade Center of America will serve as a showcase for the newest and best in the foodservice industry as well as an international training ground for industry professionals.

The trade center will demonstrate how education and industry can work together to improve products, services and personnel in the foodservice and hospitality field. Virtually all aspects of the industry, from interior designers to vendors of kitchen equipment and tableware, will be represented in the 30,000-square-foot exhibition area.

The trade center will also feature over 100 seminars, clinics and training demonstrations conducted by Johnson & Wales College and industry experts.

For more information, contact Lisa M. Forsley at (401) 461-3000.

Congress takes up FICA tax on tips

In October both the House and Senate tax-writing committees took up an association-opposed proposal to increase operators' FICA (Social Security) tax liability on tip income. The proposal, included in the FY 1988 budget plan submitted to Congress by the president earlier this year, would require employers to pay FICA taxes on all reported tips, not just those used to meet an employer's minimum wage obligations.

A $12 billion tax bill approved by the House Ways and Means Committee contains the FICA proposal, while a similar tax bill ok'd by the Senate Finance Committee does not. Both bills were headed for floor consideration as ***Restaurants USA*** went to press.

Association officials are working to stop the FICA increase. The association's strategy will be to persuade House conferees to support the Senate position on this issue and delete the provision from the House-passed bill.

The administration's role in the deficit reduction process is uncertain at this point. In a statement released by the White House last month, the president attacked the tax hikes approved by the two tax-writing panels and promised to veto such legislation.

But Reagan and his advisors appear to be reconsidering their anti-tax position in the face of increased pressure to cut the federal deficit, brought on by the crisis in the world's financial markets.

According to administration estimates, the FICA proposal would cost employers an additional $200 million the first year and $1.6 billion over five years. It would also represent a significant change in current federal tax policy, which, in the association's view, correctly recognizes that tips are not considered wages for employer FICA purposes.

The proposal was considered on Capitol Hill this summer by the House Ways and Means Social Security Subcommittee. On July 1 the subcommittee voted 5-1 to reject the proposal, a clear victory for the association's lobbying efforts.

This fall, the full Ways and Means Committee was expected to follow the lead of its subcommittee and reject the president's FICA proposal. But in a move that took many by surprise, Ways and Means Republicans refused to participate in full committee markup of the bill, and the work that had been done at the subcommittee level was placed in jeopardy.

Caucusing among themselves, the Democrats, who have a two-thirds majority on the panel, hammered out their own tax package behind closed doors. They decided to adopt the entire $6 billion in "revenue raisers" proposed by the president. Among these revenue raisers was the $200 million FICA proposal.

By including all the president's proposals in their revenue package, the Democrats reasoned that it would be difficult for the president to veto a tax bill. The Democrats could say they had given the president what he wanted—"revenue raisers" rather than the "tax increases" he has threatened to veto.

Meanwhile, the prospect

City opposes takeout foods in containers made with chlorofluorocarbons

Over the past few decades, depletion of stratospheric ozone has been the subject of wide-ranging debate and study, which have led to predictions of complex phenomena that include relationships between several chemicals and ultraviolet irradiation in the upper atmosphere. Although current evidence suggests that a group of chemicals known as chlorofluorocarbons (CFC) are the primary suspects in the theory, much disagreement and many scientific uncertainties remain. Some scientific models indicate that significant depletion of the ozone layer may lead to increased cases of skin cancer and damage to some crops and marine life. While the links to CFCs have not been conclusively proven, there is enough evidence to make a conservative course of action the most prudent one.

The initial reaction to these environmental concerns was the 1978 ban on nonessential uses of CFCs, such as aerosol propellants. Since that time, attention has refocused on the many other uses of CFCs, including domestic and commercial refrigeration, stationary and mobile air conditioning systems and, most recently, as "blowing agents" for plastic foam materials.

Not all CFCs are implicated in the ozone depletion theory, and not all foam plastics are "blown" with CFCs. For instance, some products are made of expanded or extruded polystyrene, which is injected with a blowing agent, giving it a cushioned texture. Blowing agents include pentane, butane and CFC-12, and mixtures of these substances with carbon dioxide and other materials. (Incidentally, use of pentane or butane raises other manufacturing concerns about fire safety and lower altitude air pollution.)

Information from the Foodservice and Packaging Institute, Inc. estimates that 25 to 45 percent of polystyrene foam packaging is made with CFC-12. According to the U.S. Environmental Protection Agency (EPA) figures, emissions from this process account for *only 1 percent* of chlorofluorocarbon emissions in the United States. Emissions occur primarily during the manufacturing process.

Manufacturers of foam products are seeking alternatives to CFC-12. For example, CFC-22, a more environmentally acceptable blowing agent, may have potential. However, further studies and FDA approval are required before this substitute CFC can be considered for use in food packaging.

As the State Department and EPA move toward an international agreement to limit and phase out CFC production, the city of Berkeley, California, is actively considering an ordinance to ban sales of takeout food in foam plastic containers produced with CFC blowing agents. Although the ordinance was sent back to the Solid Waste Management Commission, it will probably pass soon and may prompt other jurisdictions to consider similar symbolic stands.

The Society for the Plastics Industry and the Foodservice and Packaging Institute, Inc. have suggested that the city of Berkeley follow the recent lead of a major chain operator, allowing for a trial phase-out by packaging manufacturers, rather than an outright ban. This would allow manufacturers which have no other option to use CFC-12 until an acceptable alternative can be found.

—Jim Brown

of the administration entering the congressional budget negotiations has injected an unknown factor into the association's lobbying calculations: Will the president insist on his original tax proposals, including the FICA tax on tips, or will he concede to the will of the Senate and drop it? Association lobbyists are pursuing discussions now with White House representatives and key congressional leaders.

High-risk notification bill passes House

Proponents of a high-risk occupational disease notification bill prevailed in the House on Oct. 15, but the 225–186 vote in favor of the bill, H.R. 162, is not a wide enough margin to override a likely presidential veto. The Senate has not yet acted on a similar measure and may not do so until next year.

The association-opposed measure could result in additional labor costs for restaurateurs if it were to be passed into law.

The bill would create a new federal bureaucracy to monitor the health of U.S. workers, determine which occupations carry a high risk of disease and notify current and past employees of their potential health risk. Employers would be required to pay for medical monitoring of notified employees and, if recommended by a physician, transfer an employee out of a high-risk setting into a low-risk one.

Several amendments to the bill were approved during floor debate, including measures that would direct a scientific "risk assessment" board to give special consideration to dioxin and AIDS exposure.

First penalty levied for immigration infraction

The Immigration and Naturalization Service (INS) has levied its first penalty against an employer accused of knowingly hiring unauthorized aliens and has said it will begin making random audits of employers by the end of this year.

The immigration law, signed by President Reagan on Nov. 6, 1986, makes it illegal for employers to knowingly hire aliens not authorized to work in the United States.

INS's first "Notice of Intent To Fine," issued to an Arlington, Virginia, hotel on Oct. 2, assessed a $16,500 penalty—$1,500 for each of 11 illegal aliens found to be working there. Of the $1,500, $1,000 was for employing an illegal alien and $500 was for not completing the required paperwork. According to an INS spokesperson, INS had made two contacts with the hotel before issuing the notice.

So far, INS has conducted some 250,000 informational visits and plans to reach a million employers by June 1988.

—Jay Morris
Denise Roach

PUBLIC AFFAIRS CONFERENCE
SEPTEMBER 14-16, 1987
WASHINGTON, DC

Audience participation was encouraged during the general sessions, with each speaker allowing time at the end of his presentation for questions and answers.

Nearly 300 foodservice operators converged on Washington, DC, in mid-September for the National Restaurant Association's third annual Public Affairs Conference. During the two-and-one-half-day meeting, attendees listened to top national leaders and lobbied their legislators on such issues as minimum wage increases, mandatory parental leave and minimum health insurance benefits for workers.

House Budget Committee Chairman Bill Gray (D-PA), House Majority Leader Tom Foley (D-WA) and Interior Secretary Don Hodel were just a few of the speakers the association lined up for this conference. Attendees also heard from Reps. William Ford (D-MI) and Steve Bartlett (R-TX), two influential members of the House Education and Labor Committee, whose diametrically opposed views on pending labor issues gave conferees a chance to "see both sides."

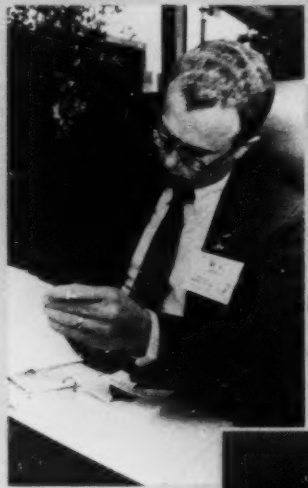
With labor issues dominating the congressional agenda, speakers also warned conferees that they must get personally involved in the legislative process. "You can't gripe about Washington if you don't do anything about it," Rep. Tom DeLay (R-TX) told the audience.

Foley echoed similar sentiments: "An organization of the breadth and diversity of the restaurant industry—an industry with operations in every single congressional district in the country—would be wise to develop its political resources. A congressman is naturally responsive to his constituents. He never forgets that his obligation is to his district."

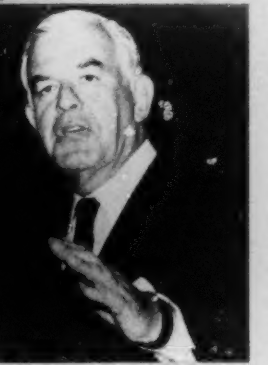
Putting his advice into practice, conference-goers blanketed Capitol Hill during the "congressional visit" segment of the program, fanning out across the Hill to the offices of legislators from 43 states to discuss foodservice issues. These face-to-face meetings gave conferees a timely opportunity to let legislators know the industry's position on the issues. Appropriately, the conference was held only days after members of Congress returned from their month-long August recess and were about to resume deliberations on several key labor and tax matters.

NATIONAL RESTAURANT ASSOCIATION

Association Director Bob Wood (Bob Evans Farm; Columbus, OH) served as chairman of the conference planning committee.



Conferee studies issues in preparation for Capitol Hill visit.



House Majority Leader Tom Foley (D-WA)

NATIONAL RESTAURANT

Interior Secretary Don Hodel

House Budget Committee Chairman Bill Gray (D-PA)

Texas conference delegation (from left, Richie Jackson, Susan Hasslocher, Jack Campbell and Jack Sosabee) discusses industry issues with Sen. Phil Gramm (R-TX), right.

Face-to-face meetings with legislators were a conference highlight. Here, Fred Schneeweiss talks with Rep. Marge Roukema (R-NJ), the Republican sponsor of an "alternative" to the Democrats' parental leave bill.

PUBLIC AFFAIRS CONFERENCE

Fifth annual Chef d'Oeuvre: a "don't miss" event

Association President Michael Grisanti welcomes Sen. Jesse Helms (R-NC).

Attendee samples Taverna Cretekou's Greek specialties.

Maryland conferees pose with Sen. Barbara Mikulski (D-MD).

Morton's of Chicago's sliced tenderloin was a reception highlight.

Outstanding food from eight leading Washington, DC, restaurants . . . a reception facility right on Capitol Hill . . . 230 congressional leaders and 300 politically involved foodservice operators from around the country: These were the ingredients of the association's successful Chef d'Oeuvre reception for members of Congress on September 15.

Held in conjunction with the Public Affairs Conference, the reception provided a relaxed, informal opportunity for restaurant industry leaders attending the conference to meet and talk with the nine senators and 221 representatives who were present.

Now in its fifth year, the Chef d'Oeuvre reception has acquired the reputation on Capitol Hill of being a "don't miss" event, said House Majority Leader Tom Foley (D-WA), who addressed conference attendees the following morning.

"This kind of event helps maintain the association's visibility on Capitol Hill," noted Richard Marriott, chairman of the association's Government Relations Committee. "In what better forum can industry leaders discuss foodservice issues with their legislators than at a reception featuring the finest foods and restaurants in Washington?"

Participating restaurants

- ★Fourways
- ★Maison Blanche
- ★Morton's of Chicago
- ★Old Ebbitt Grill
- ★The Prime Plus
- ★The Prime Rib
- ★Taverna Cretekou
- ★The Watergate Hotel

Schreiner describes costs of new OSHA ruling

Association Director Bernard Schreiner (Schreiner's, Inc.; Fond du Lac, Wisconsin) told the Office of Management and Budget (OMB) at an Oct. 16 hearing that his 225-seat restaurant could incur up to $8,000 in inventory, training and records maintenance costs when a new ruling goes into effect next May.

The subject of the hearing was the Occupational Health and Safety Administration's (OSHA) Hazard Communication Standard (HCS), which sets federal recordkeeping and training requirements to protect workers who are exposed to hazardous chemicals. Until OSHA's recent ruling, HCS covered only employers in the chemical and manufacturing industries. As a result of a court ruling, however, OSHA was forced to expand HCS's coverage to all employers whose employees are exposed to hazardous chemicals.

Under the expanded HCS, affected employers will be required to maintain a list of all hazardous chemicals in the workplace and develop an information and training program to convey to all employees specific hazards, protective measures and emergency procedures.

As written, this expansion of coverage includes foodservice operators whose employees come in contact with the "hazardous chemicals" contained in such products as pesticides, detergents, sanitizers, oven cleaners and rinse additives.

In addition to Schreiner's testimony at the OMB hearing, the association has also submitted written comments to OSHA asking that the foodservice industry be categorically exempted from HCS.

Association President Michael Grisanti welcomes more than 250 attendees to the third annual Public Affairs Conference.

The Manor presents historic dinner

To celebrate the centennial anniversary of the opening of the Thomas A. Edison laboratory in West Orange, New Jersey, in 1887, the Manor restaurant will present a special Chef's Table Dinner featuring authentic recipes from the files of Mrs. Edison.

The Manor, also located in West Orange, is owned by National Restaurant Associaton Director Harry Knowles and his sons, Kurt and Wade. The idea for the dinner, proceeds of which will go toward the Friends of the Edison National Historic Site, came when previously unexplored archives revealed the carefully kept party files of Mrs. Edison. Mina Edison kept records of all her dinner parties from 1887 until the mid-1930s. Her shopping lists, including the invoices from renowned specialty food purveyors of the day, were unearthed as well.

Harry Knowles

At the November 23 dinner, the Manor chefs will recreate some of the recipes Mrs. Edison used at black-tie parties at her estate, including a replica of Thomas Edison's 80th birthday cake. The tablesetting from the Edison estate will be on display at the dinner as well as many original Edison inventions. Some of these inventions will appear in pulled sugar and chocolate as well. Professional historians will be on hand, in period costume, to describe the inventions.

In addition, a commemorative luncheon will be featured at the Manor. Invited guests to the day include President and Mrs. Reagan and New Jersey Governor and Mrs. Thomas Kean.

—Anne Papa

Royals establish minority scholarship fund

National Restaurant Association Honorary Director Ernie Royal, his wife Willa and the Culinary Institute of America (CIA) are establishing a special endowed scholarship fund to assist minority students who wish to pursue careers in the foodservice industry.

Ernie Royal

Royal, a CIA trustee, hosted a benefit dinner last month at his restaurant, Ernie's Grill & Bar, in Rutland, Vermont, to announce the new scholarship. Proceeds from the dinner are being used to establish the fund entitled the Willa and Ernie Royal Endowed Scholarship Fund for Minority Students. The annual income derived from the fund will be used to recruit and support minority students attending CIA.

The Royals have also offered to match contributions made by those who attended the dinner. Additional donations to the fund should be sent to the Development Office of the Culinary Institute of America, Hyde Park, New York 12538.

Winning the Customer of Tomorrow

by Ted J. Balestreri

I don't have a crystal ball, of course, but I can tell you that in many ways the customers of tomorrow will be like the customers of the past. The secret of attracting them will be quality: quality in food, service and ambiance.

But in many other ways, the industry of tomorrow will differ from the industry of today as drastically as a microwave differs from a toaster oven. And, as operators, we will be facing challenges from new technology, from increased competition, from the labor shortage and from the nation's changing demographic and social structures. If we want our cash registers to keep ringing at a steady pace, we will have to adapt.

I have heard lots of operators complaining about declining head counts. And even those whose businesses have remained steady admit that things don't seem to come as easily as they did during our boom years.

More competition

Well, it's not our imagination. There is substantially more competition both from within and from outside the foodservice industry than there was 15 years ago. The statistics tell the story. In 1972 there were 845 people for each restaurant in the country. Today there are only 685 people per restaurant—a 19 percent drop.

Obviously, there are a lot more restaurants. It seems that whenever times are good, everyone wants to get into the business. In the first nine months of 1986, for example, there were more than 10,000 new eating and drinking places in the country. And in New England, which has the strongest regional economy in the United States, there was a 68 percent increase in eating place business starts during the same period.

> **"What we are going to have on our hands, I predict, is a new generation of 'yuppie couch potatoes'—two-income baby boom household members who want to stay at home with a movie and a meal. Whether they get this meal from a supermarket, a convenience store or a restaurant is up to us."**

But, as we all know, our competition is not coming only from the growing number of new and established restaurants. It seems like everybody is getting into the food business today. For example, convenience stores, such as 7-Eleven and Circle-K, generated $5.2 billion in 1986 through sales of sandwiches, drinks, deli products, foods cooked on-site and other fast foods. More than 14 cents out of every dollar spent at convenience stores went for fast food.

And how about supermarkets? Supermarkets are installing deli counters and breakfast bars. Some even have in-store restaurants with seating, and others are using drive-thru windows to sell fast food. They are offering an increasingly attractive variety of pizzas, sandwiches, hot foods, refrigerated entrees and salads. A recent study showed that 67 percent of the stores polled plan to offer partially or fully prepared foods for takeout by the end of the year, and researchers predict that eight out of 10 stores will offer ready-to-eat foods by 1989.

But that's not the worst of it. Listen to the results of a recent study conducted by the Food Marketing Institute and Campbell Soup Company. Although respondents to the study rated restaurant takeout food as "tastier, more fun to eat and more of a special treat" than food bought in supermarkets, in many other categories supermarket retailers were shown to be beating us at our own game. The respondents to the same study gave supermarket takeout food better marks than restaurants on freshness, quality, health and nutrition. In addition, the findings showed that consumers perceive takeout restaurant food to be more fattening and more expensive than the supermarket equivalent.

Changing demographics

This is a bad sign, and I'll tell you why. The consumer of tomorrow will be older, wiser and more health-conscious than the consumer of today. Restaurants that do not predict what these patrons want, and then give it to them, are making a fatal mistake. To begin to figure out what tomorrow's consumer will be looking for, we can look at some social and de-

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Ted J. Balestreri is co-owner of The Sardine Factory in Monterey, California, and past president of the National Restaurant Association. This article is based on his presentation at the Multi-Unit Food Service Operators (MUFSO) conference on September 28, 1987.

mographic trends and try to determine how these trends will affect the industry.

First of all, people will be staying home more in the near future. The fantastic surge in VCR ownership has not slowed. In addition, the baby boom generation is now in its family-forming and child-raising years. In fact, by the year 2000--which is only 13 years away—90 percent of the baby boom generation will be married and have children.

What we are going to have on our hands, I predict, is a new generation of "yuppie couch potatoes"—two-income baby boom household members who want to stay at home with a movie and a meal. Whether they get this meal from a supermarket, a convenience store or a restaurant is up to us.

Decade of delivery

1987 has been referred to as the year of takeout and delivery. I believe the next 10 years might be called the decade of takeout and delivery as operators continue to develop new technology to get products to consumers who want to eat restaurant food at home. Already we are seeing upscale operators who are vacuum-packaging their foods for home consumption. Who know's what's next?

In the future, we might see customers ordering gourmet meals from a restaurant, by telephone, before leaving the office. At the customer's home, we can deliver the meal into a heating unit in the shape of a small icebox or mailbox. That way the food is ready to eat when the customer comes home. Or if vacuum-packaged meals with long shelf lives become widely accepted, experts have predicted that we may see compact double drive-thru kiosks, situated throughout the suburbs and cities, where customers can zip by and pick up a gourmet meal that can be microwaved at home.

Experts have also predicted that the consumer of the future will order meals via the television and a computer modem tuned into a home-delivery channel. The screens will show pictures of entrees and daily specials, and the customer will pay for his meal by running his credit card through the side of the television.

> "Findings show that consumers perceive takeout restaurant food to be more fattening and more expensive than the supermarket equivalent."

These space-age ideas may sound like they belong in an episode of "Star Trek" rather than in a discussion of takeout and delivery, but what I am trying to demonstrate is that to compete for the customer of tomorrow, operators cannot sit still. If customers will not come to us with the regularity that they have in the past, we will have to bring the food to them. Those who can get a quality product to the people will be the ones who set the pace for the industry.

More experimental food

Social and demographic trends will also affect the cuisines we will be offering in our restaurants. Ethnic foods and interesting eclectic dishes are going to play a larger role in our menus for two reasons. First, as Americans become more sophisticated, educated and well-traveled, their tastes have become more experimental. Second, continued immigration and a higher birth rate among non-Caucasian Americans imply that ethnic foods will be in greater demand.

Several cuisines that were not too long ago considered "foreign" and exotic, such as Mexican, Italian and Asian, are already being absorbed into mainstream American culture. They are popping up in our school cafeterias as well as in our fast food restaurants. Now everyone is trying to predict the new "in" cuisine, and guesses range from Thai to Caribbean to Middle Eastern.

Rather than trying to predict what the next popular foreign food will be, however, we should be learning to blend elements of other cuisines into our menus. A lot of restaurants are crossing borders with multicultural dishes that combine intriguing and appealing ingredients. The customer of tomorrow will be more adventurous—and more inclined to appreciate the new flavors that are created when we combine our foods with other cuisines.

Examples of dishes I am talking about include exotic egg rolls that use nontraditional ingredients: American sushi, which could use toppings such as poached chicken and peppers instead of raw fish, or Italian/American combinations such as raviolis stuffed with crabmeat, or fast food pizzas with gourmet toppings.

In addition to borrowing ingredients and dishes from other countries, we would do well to borrow some of their healthier cooking techniques because tomorrow's customer will be even more nutrition and health-conscious than the customer of today.

The current median age in America is 31.5. By the year 2000 it will reach 36—and there will be 76 million Americans who are 50 and older. We know that these customers will be more vibrant and active than the senior citizens of our childhoods—and eager to find foods that fit in with their lifestyles. Asian foods, for example, will fit in well with the mature customer of the future who wants food that is interesting and delicious, but also healthy, light and easy to digest.

As retailers, we make our livings by predicting trends. And these are some of the trends operators are going to have to address if they want to attract new customers in the future: a graying America, customers short on time who are interested in home entertainment and home shopping, a culture of convenience and a hunger for exotic and ethnic foods. But keeping our operations fresh by staying on the cutting edge is not going to be enough for the operation that intends to flourish in tomorrow's market.

Retaining today's customers

What we really have to work on—in addition to winning the new customer of tomorrow—is retaining our customers of today. An operation will always need new customers, but without loyalty, tomorrow's restaurant will not be able to keep sales up. New customers are by far the most expensive customers. Studies show it costs five times more to acquire a new patron than to keep an existing one.

One way operators from all segments can cultivate customer loyalty is through allegiance marketing. A lot of restaurants are already having success with their own continuity or "frequent diner" programs. The way they usually work is that a restaurant issues a card that is stamped each time the customer eats at the restaurant. When the diner reaches a certain level, he or she is rewarded with a free entree or comparable compensation. Although details may vary slightly, current frequent diner programs have a common objective: to separate and identify those customers who are important to the restaurant.

Superior service

Finally, however, the greatest strategy we will have for future customer retention is superior service. There is little doubt that our service will be faster and more efficient in the future. But can we make our service more pleasant and more personalized? You had better believe it needs to be improved: A recent Gallup Poll showed that 50 percent of U.S. customers expressed dissatisfaction with restaurant dining due to poor, slow or rude service.

At my restaurants we have a saying: "If we have made you feel at home, we have made a million dollar mistake, because you might as well stay at home." In tomorrow's market, when there will be increased competition and better in-home dining and entertainment options, this saying will be more timely than ever.

Oh, what a difference a little extra service can make! One of the prime examples comes from gas stations. Top service stations routinely outsell nearby competitors by a 4 to 1 or greater margin. One Chevron station in California, for example, had doubled its sales in less than a year. The reason: When patrons pull up to the pumps at the full-service aisle, at least two attendants leap out to offer customers, along with the normal gas and oil check, free coffee, a free newspaper and a quick vacuuming of the inside of the car. And another Chevron station with similar services has nearly doubled sales in two years despite the presence of a new competitor and the closing of a nearby freeway ramp.

> **"If customers will not come to us with the regularity that they have in the past, we will have to bring the food to them . . . I believe the next 10 years might be called the decade of takeout and delivery."**

Whether it is a fast food lunch or a leisurely, formal dinner, I have always believed that personalized service can make a world of difference. As Ben Franklin once put it: "The taste of the roast depends on the handshake of the host." This is an advantage we will always have over supermarkets or convenience stores. That's why we are called the hospitality industry.

Quality workers

But the most crucial element in providing quality service is going to be employing quality workers. A restaurant, and a restaurant's service, are only as good as its staff. A happy, satisfied cashier better represents the restaurant and gives the customer the respect he or she deserves. And the older, graying population will appreciate service.

That is why winning the *employee* of today is going to play such a large role in winning the *customer* of tomorrow. We all know about the impending labor shortage. We each have a responsibility to do something about it.

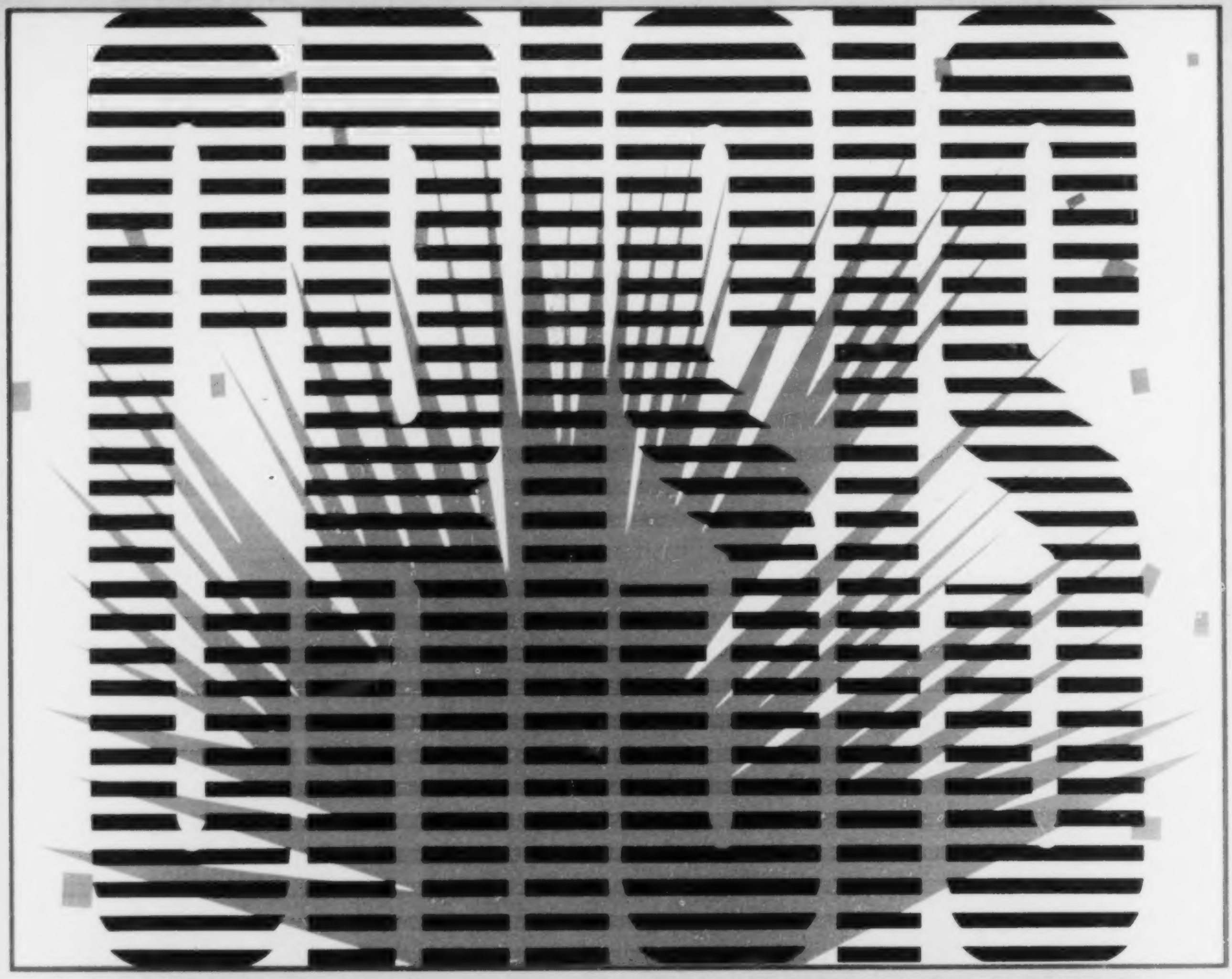
Employment analyst reports indicate employees leave an organization 80 percent of the time due to a lack of recognition. Combine that statistic with the separation rate for foodservice occupations, nearly twice the overall rate for all American workers, and what does that tell you? Sure, we must use discretion in hiring workers with good potential. But when we have employees who are contributing to our operations, there is no excuse for not rewarding them with a sincere pat on the back *and* an appreciated coin in the pocket. I have always found that, like anyone else, employees who are treated well, treat me well.

Another way we can work to strengthen the identity of the foodservice industry and the people who work in it is through collective image campaigns, such as the "Ours Is a Special World" program. This comprehensive, ongoing campaign, launched by the National Restaurant Association and 13 other hospitality industry groups, is aimed not only at our current employees, but also at potential workers. Through ads placed in vocational guidance magazines, and through a model job fair in New York City, potential employees will learn of the many benefits a career in foodservice can offer.

It is up to us

But in the end, it is the obligation of each and every one of us to resume responsibility for changing the way America looks at our industry. It is essential that we let the country know what we have to offer, and it is essential that we back up our promises with action: better and more concrete compensation and benefits, pleasant working conditions and opportunities for advancement.

Strengthening our industry image will do more than change the way Americans think of foodservice. It will demonstrate to potential employees that foodservice jobs can be an entry to tomorrow's opportunities. And these satisfied employees, in turn, will be the key to providing the quality service, ambiance and food that will attract tomorrow's customer. ❑



CRISIS MANAGEMENT

by David Slater

An undercover drug bust nets three workers from a Southern New Jersey restaurant and inn.

A foodborne illness outbreak in the Washington, DC, area is traced to salads served at a chain unit.

A businessman is gunned down at a Manhattan restaurant in a gangland-style killing.

A hurricane washes out a waterfront restaurant in an East Coast resort town.

What do these seemingly unrelated incidents have in common? Each one took place in 1987, producing front-page headlines that threatened to permanently change the local public's perception of the restaurant. These unpredictable emergencies, which represent just a small percentage of the nightmares that occur in U.S. restaurants each year, are spectacular examples of why savvy operators institute formalized crisis management training in their restaurants—advance emergency planning that can mean the difference between recovery or bankruptcy.

David Slater is a communications specialist at the National Restaurant Association.

Who knows the meaning of "crisis" better than the average restaurateur? From broken equipment and absent workers to late deliveries and ill-timed health inspections, emergencies are an everyday occurrence in the restaurant business. On occasion, however, a true emergency occurs—one that threatens to close the operation or endanger the well-being of a customer or employee. These disasters can happen at any type of operation. The restaurateurs with the best chance of surviving are those who are armed in advance with a comprehensive crisis management plan.

Crisis management involves anticipating and planning for all aspects of potential emergencies. An effective approach includes taking precautions within the operation to reduce risks, training the staff to respond correctly to emergencies, preparing to handle any media inquiries and adequately protecting the operation's financial assets before a disaster strikes.

Although the most common restaurant crisis may be a well-publicized foodborne illness outbreak, there are countless other disasters that can strike a foodservice operation. Here is just a partial list:

☐ Fire, flood or bad weather that closes the operation

☐ Product recall

☐ Employee arrested for criminal activity

☐ Bomb threat

☐ Random violence on the premises

☐ Suspension of business for outside reason, such as roadwork

☐ Vandalism

☐ Unexpected loss of electricity, gas or water

☐ Employee or ex-employee threatens food tampering

☐ Customer or employee injury

☐ Employee with serious disease

☐ Insect or rodent infestation.

In addition to the particular complications inherent in each of these potential disasters, these crises are hazardous to restaurateurs because of the negative publicity they can spawn. Yet many operators, especially busy independents, do not take the necessary steps to adequately protect themselves.

"The business that hasn't prepared itself for every possible crisis is making a potentially fatal mistake," says Larry Newman, executive vice-president of Manning, Selvage and Lee, an international public relations firm that specializes in crisis management. "There are constructive actions companies can take to avoid and defuse disaster."

Stay in a precrisis mode

At its simplest, crisis management involves reducing risks. Some crises can be avoided and anticipated; others cannot. In all cases, however, experts agree that operators can take steps to minimize the damage from unexpected incidents by always being ready for the worst. "Vigilance dictates that any time a company is not in a crisis, it is in a precrisis mode," says Newman. "Preparation," he adds, "increases the odds in favor of a positive outcome."

"A crisis is a surprise at most companies," says Dee Clingman, quality control manager for General Mills, headquartered in Orlando, Florida. "It's like when someone jumps out at you from behind a tree. But if you're always ready for anything, you'll be at an advantage." At General Mills, says Clingman, steps are taken to avoid the avoidable crises and to make the best of those situations that cannot be prevented or anticipated. When a troublesome situation occurs, management can go about business as usual, while still addressing the emergency, instead of letting the situation dominate the operation.

Crisis management team

At large foodservice companies and multi-unit operations, the first step in developing a crisis management plan involves forming a crisis management team that will make binding, companywide decisions during an emergency. The team should be small enough to allow the members to make group decisions quickly and large enough to fill the essential functions. In general, five to eight people usually represent a manageable size.

The basic functionaries needed on the typical foodservice crisis management team are:

☐ **Executive officer**. The restaurant owner or a high-level officer who provides direction from the top and who has responsibility and authority to make the decisions regarding company policy and its position with respect to the crisis at hand.

☐ **Team leader**. A manager or officer who has the overall responsibility for keeping the team updated and directing actions during the crisis.

☐ **Spokesperson**. A carefully chosen public relations liaison through whom all information will be disseminated during the crisis—the only member of the team who can make public statements. The principal aim of designating a spokesperson is to provide a consistent, centralized source of information and to avoid making contradictory statements.

☐ **Legal representative**. Someone who can determine the legal implications of the crisis and provide legal guidance to the team.

☐ **Researchers**. Members of the team in charge of incoming phone calls, gathering and verifying facts about the nature of the emergency and compiling information to develop position statements.

At multi-unit operations, such a formalized team is necessary to ensure companywide, coordinated decisionmaking. A more loosely organized team, however, may be sufficient at single-unit operations. What is essential is that some thought has been given to the person who is best qualified to fill each needed position before any emergency has occurred.

For example, in a potential crisis situation at a single-unit operation, the owners might fill the combined role of executive officer and team leader. Another high-level employee, or even the spouse or adult child of the owner, might be the obvious choice for spokesperson if he or she is a trained speaker or a familiar figure in the community. If the restaurant is to remain open during the crisis, however, it will be necessary to leave enough of the restaurant's management team free to handle the day-to-day operations, while the crisis team handles the emergency.

In the advance-planning stage, restaurateurs also should determine the limitations of their company attorney, who may be qualified to do the company taxes, but not trained to handle the legal implications of a serious cri-

Restaurateur averts crisis

In April 1987 a police undercover operation led to the arrest of 42 people for drug dealing in the areas surrounding the Delaware River in New Hope, Pennsylvania, and Lambertville, New Jersey. Among those arrested were three employees of the Lambertville Station and Inn, a 150-seat restaurant and hotel scenically located on the Delaware River.

The situation was doubly painful for Lambertville Station owner Dan Whitaker who prides himself on having a close relationship with his 185 employees. In addition to feeling a mixture of disappointment and concern for the three arrested employees, Whitaker saw his restaurant, at the onset of the tourist season, being mentioned notoriously in newspaper reports of the drug arrests.

The Lambertville Station's situation easily could have turned into a classic restaurant tragedy. Whitaker feared that the negative publicity would hurt business and also lead parents to terminate their children's employment at the restaurant. Whitaker was able to make the best of a bad situation, however, because he already had the basis of an informal crisis management system instituted in his restaurant.

Communication among owners, management and employees—the key to an effective crisis management system—has always been integral to the Lambertville Station's management philosophy. Whitaker has a strong training program, and, at his weekly management meetings, the staff does internal audits on various aspects of the restaurant—from sanitation to potential employee problems. Managers discuss any potential trouble areas and then act quickly to confront them. Included in these weekly audits is an in-house drug awareness program that involves looking for obvious traits, such as personality changes in employees. "We try to relate to (these problem employees) as best we can," says Whitaker. "Lots of times we have been able to turn them around."

Whitaker chairs the drug and alcohol forum at the Lambertville Station.

Because Whitaker had a strong chain of command in place, he says he was able to move quickly to "find the good side of this situation." Instinctively, he took the path that experts suggest in time of crisis. "I decided we've got a problem, so let's do something about it," Whitaker says. "Admit it; don't ignore it." Whitaker began by calling the parents of his young employees to discuss the problem and to allay any fears they might have about their children working at the restaurant.

Next, Whitaker met with employees and managers and decided "to do something for the community." The owner then hired a local public relations team and quickly formulated a plan. The Lambertville Station decided to hold a series of seminars for concerned parents and employers, bringing together local authorities on drug and alcohol abuse with members of the surrounding communities. To act before the issue was dead, the event was scheduled for 2½ weeks after the incident.

Next, a fact sheet with details of the event was sent to parents of employees, to schools and to community groups. In addition, press releases and media information went out to local newspapers and radio stations, and Whitaker made himself available for interviews.

The story of the Lambertville Station Drug Awareness program became front-page news as the first community response to the rash of arrests. Seventy-five parents and employers attended the event. Whitaker chaired the forum, and guest speakers included a 16-year-old recovering drug addict who, along with local police, led a question-and-answer session that lasted nearly two hours.

The entire event, before and after the evening, generated a total of 650 column inches of constructive news in local papers. Whitaker had succeeded in his sincere effort to make the community and its residents aware of the local drug abuse problem. The Lambertville Station's drug busts, which the owner admits "could have been a tragedy," instead were turned into something positive—and, adds Whitaker, "didn't hurt business at all."

sis. The operator might wish to consult with a more qualified attorney who could familiarize himself/herself with the operation and perhaps offer advice on steps that can be taken to minimize liability if a disaster should strike.

Preparing for disasters

After filling the positions on the management team, the group should meet to discuss what type of crises could occur in their restaurant. A list should be made, similar to the one at the beginning of this article, which outlines potential restaurant emergencies. The team should focus particularly on those emergencies that might be peculiar to their operation. For example, if a restaurant is located in an area that is susceptible to floods or power outages, the group should discuss the best course of action to handle such an emergency.

The group should then install a system of policies and procedures designed to minimize the restaurant's risks. Setting up this system early may be enough to ensure that a crippling emergency never arises. The most effective crisis management program is one that, because its system of checks has succeeded, never has to deal with a crisis.

"Have things in place ahead of time," says Clingman of General Mills. "Think about what you need to do and what things you should have in your restaurant for every potential problem situation." A list of emergency phone numbers, for instance, can make a huge difference in times of crisis. "It sounds simple," says Clingman, "but when the power has just gone out, thumbing through a phone book for a place that rents refrigerated trucks or sells dry ice is a problem. And with your competitors looking for the same things, people who have this information at their fingertips are the ones who are going to get it." Other basic but necessary precautions in the event of a power outage, for example, could include easily located flashlights and candles and a tested evacuation plan. In addition, a fire drill with local authorities can help familiarize rescue crews with the layout of your operation.

Although operators should try to plan for every conceivable emer-

Managing a sanitary and safe foodservice operation

The overall goal of a sanitation program is to control the handling of food from purchase to service to ensure its safety. The manager has a number of factors within his or her control that can ensure a sanitary operation and safe food. These control points include:

☐ **Hiring foodhandlers**. Job applicants must be observed for the physical signs of health problems and for poor hygiene habits.

☐ **Purchasing and maintaining equipment**. Equipment and facilities must be designed and maintained with sanitation in mind.

☐ **Purchasing food**. Food must be purchased from safe sources and checked immediately upon receipt.

☐ **Storing food**. Food to be stored for any period of time must be kept at the proper temperature and humidity. The first in, first out rule must be observed.

☐ **Preparing food**. Food should be prepared as close to serving time as possible. The cardinal rules of time and temperature must be observed.

☐ **Serving food**. Proper handling of utensils and food items is required during service. Foods for self-service must be displayed so that contamination by patrons is avoided.

The foodservice manager has control over each of these factors. How much control is exercised depends on the skills and attitudes of the manager. The manager who knows what the sanitation hazards are, develops a sanitation program to prevent contamination, and hires and trains workers is three-fourths of the way to ensuring safe food. The final factor in any sanitation program is evaluating the results.

Evaluating results is a part of any management operation. So it is with sanitation. Few people know the facility and the employees as well as the foodservice manager. Even the health inspector will not know every potential hazard in the operation as well as management. Evaluating the sanitation program, including procedures and employee progress, is a vital part of keeping food safe.

There are many ways to gather information on the success of sanitation efforts. You can watch the sanitation activities in progress as your employees carry them out. You can ask them about their jobs. You can survey the physical results of their efforts. Or you can go to your most important source of information—and your most difficult critics—your guests.

☐ **Supervision and employee feedback**. The manager's responsibility for safe foodservice doesn't end when a trained employee is assigned to do a job. A manager must continue to make certain, through regular, on-the-spot observation, that tasks are being properly performed.

Employees should not be made to feel that they are being graded or spied upon, but that their work is important. It should be made clear to them that the boss is interested in what they do and how they do it and is receptive to new and better ideas. If problems are discovered, the employee should be shown how to correct them. Discipline alone is not going to change worker actions.

Supervision is made much easier if employees are motivated to do a good job. Much of this motivation should be accomplished during training, but the way employees are treated on the job will also have a telling effect on their morale. Treat your employees as fully contributing members of the foodservice team, and the chances are good that their actions will fall in line.

Employees can be valuable sources of information when it comes to sanitation. They may observe things during their jobs that do not seem quite right yet they may not tell the management for one reason or another. Managers should encourage constructive feedback from employees who perform sanitation-related tasks or are directly involved in the preparation and service of food.

The best way to get information from employees is during employee meetings. Encourage employees to let you know if they have noticed problems, as with equipment or pests, or if they have ideas for improving sanitation. Their comments could be enlightening. For example, you may discover that the reason the sanitizing solution is not working is because it is not dispensing properly into the machine, or you may discover that no one is around to check poultry deliveries when they arrive.

☐ **Self-inspection.** Another way in which you will be able to tell whether sanitation efforts have borne fruit is whether you can pass your local health department's inspection. But you cannot rely on these infrequent visits to monitor the day-to-day success of your attempts to prevent contamination. You must develop a system for continually and systematically checking on all phases of your operation to assure yourself that unsafe conditions do not arise, despite all your efforts. The best way is through regular self-examination.

Self-inspection must be thorough to be valuable. A quick run through the facility is not sufficient. Self-inspection should be a regularly recurring task performed by trained personnel who are familiar with the establishment's overall operation.

What should be inspected?

A self-inspection program should cover the following areas:

☐ Personal hygiene of foodhandlers and servers
☐ Foodhandling practices
☐ Receiving areas
☐ Food storage areas
☐ Food preparation areas and equipment
☐ Food-holding equipment
☐ Food transportation equipment
☐ Warewashing and storage areas
☐ Lobby, dining rooms and serving areas
☐ Customer restrooms
☐ Employee facilities
☐ Storage areas
☐ Inside and outside garbage and trash storage and disposal areas
☐ Boiler rooms and mechanical operating equipment; utilities installation.

When should self-inspection occur?

Self-inspection that is a regular part of a management routine is the most valuable. The manager should categorize the areas and sanitation practices into an inspection schedule that is flexible. Self-inspection should be conducted as often as necessary to identify and solve sanitation problems. If certain areas are constantly found to violate sanitation standards, they should be inspected more often until corrective measures have ended the problem.

The food preparation procedures should be observed as often as possible during busy periods because this is when sanitation problems are most likely to occur. Storage areas should be checked regularly to ensure that food is being held at proper temperatures. Employees should be observed every day for signs of illness or poor personal hygiene.

When conditions are found that do not measure up to sanitation expectations, steps should be taken to remedy the situation as soon as possible—immediately if the problem results in direct food contamination. These steps may be as simple as replacing worn scrub brushes or defrosting the refrigerator, or more complicated measures such as emergency training sessions may be required.

Developing a sanitation checklist

So many small but important details should be reviewed in the process of your sanitation self-inspections that it would be easy to overlook some. The manager of even a small operation may find it desirable to make inspections on the basis of a checklist.

Checklists for facility-wide inspections can be obtained from a variety of sources, including national, state and local public health departments. To be most helpful, however, your checklist should cover your particular establishment in detail. It should be compatible with your local foodservice sanitation regulations. It should also be organized so that you can conduct either full-scale inspections or spot checks of problem areas.

The National Restaurant Association publishes a guide to developing your own sanitation checklist. This publication is called *Sanitation Self-Inspection Program for Food Service Operators* and is designed so that the checklists can be removed and copied for repeated use.

In the guidelines accompanying its checklist, the National Restaurant Association recommends that you keep your self-inspection sheets on file. Copies can then be furnished to local regulatory agencies as a token of your interest in sanitation This cooperative action will encourage them to regard your establishment in a favorable light. Agency representatives may be able to identify your special problems on the basis of these inspection sheets and to assist you in finding solutions. The self-inspection records will also be useful as evidence of your active sanitation program in case you are confronted by representatives from the news media or consumer groups. They can be useful in the event of a legal problem.

The National Restaurant Association has published a 24-page book on self-inspection called *Make a S.A.F.E. Choice: Sanitary Assessment of Food Environment* this year. The book's five chapters include overviews of self-inspection systems, major foodborne diseases, potentially hazardous foods, applying the principles to your own process and planning for crisis management. This material is also covered in a seminar by the same name.

Excerpted from Applied Foodservice Sanitation, *a certification course, 3rd edition, 1985. The course is offered by the Educational Foundation of the National Restaurant Association.*

gency, Clingman believes that the major area of concern for independent operators is foodborne illnesses. Every crisis management team must examine its operation to reduce sanitation risks. This includes evaluating the menu to determine which items or ingredients can be considered high risk and also entails managers asking themselves if they are effectively encouraging a safe sanitation philosophy with responsible interviewing, hiring and training habits.

For the short-staffed independent operator, it may be difficult to tell an ill waitress that she cannot work—but it is essential. "The owner/operator who sends a sick waitress home has done two things," says Clingman. "He/she has reduced a possible risk, and has also made a statement for the other employees."

Educating employees

Opening the lines of communication among all members of a restaurant staff is fundamental to the formulation and institution of a foodservice crisis management plan. The training of the hourly employees can be as important as the drilling of the upper-level management team. Hourly workers come in contact with customers and figure greatly in the day-to-day running of the operation. It is not unlikely that the moment of truth in a potential crisis will occur when one of these employees recognizes a hazardous situation or receives a complaint. Poorly prepared workers can be a weak link in any crisis management situation.

In addition to reinforcing proper hygienic practices and food handling techniques, all employees should be trained to detect potential disasters in their work areas. This includes pointing out customers who behave in a drunken or erratic manner as well as spotting any hazardous situations, such as loose banisters, burned-out light bulbs, carpet tears or dangerous equipment.

Employees who are well prepared are more likely to correctly handle a potentially serious situation in the restaurant. Updated phone lists posted near each company phone will reassure employees and help operators reduce their risks. In addition to the emergency numbers discussed earlier, these lists should include all the members of the crisis management team; listings for police; health and fire departments; and the company attorney and insurance agent. Include both regular and after-hour telephone numbers as applicable.

All employees should also have access to standardized forms for recording incoming complaints. At the minimum, every operation should have separate forms for recording foodborne illness complaints and for reporting employee or customer injuries. These forms help avoid forgetting or omitting information that can prove important at a later time.

All members of the operation must realize that every complaint is a serious matter that must be evaluated carefully. Employees should be instructed to refer all complaints, as soon as possible, to their immediate manager or a designated team leader. Workers should be cautioned that any complaint is confidential until its legitimacy has been established. Employees may not realize the seriousness of a potential crisis situation if the fundamentals of crisis management have not previously been stressed in the restaurant.

Risk management and insurance

Regardless of how thoroughly a staff has been trained, some crises will be unavoidable, and many, such as floods, fires and foodborne illness outbreaks, will have the potential to close an operation indefinitely. Planning for the financial impact of these unavoidable disasters, through a concept known as risk management, is a recommended part of any crisis management plan.

Risk management—a formalized system of steps aimed at controlling losses and minimizing the consequences of losses when they do occur—is an integral part of the crisis management plan at most major foodservice chains. Insurance is one important element of a risk management plan, but risk management's elements actually filter through all aspects of an operation and go hand-in-hand with the basics of crisis management.

Any business that is subject to unexpected loss—in other words, any restaurant—should be interested in protecting its assets through risk management. Few small or single-unit operations, however, have formalized risk management systems, says Ron Summerville, associate manager and consultant for the Wyatt Company, a risk management and actuarial company that is not affiliated with any insurance company. All too often, he says, independent operators are so involved in keeping a business afloat that they do not give a lot of thought to ancillary considerations, such as accounting, banking or insurance.

As an example, Summerville points out that few restaurateurs recognize the need for business interruption insurance. But as numerous unfortunate operators can attest, many restaurants are unable to make it through the slow months that often follow a reopening if they are unable to recoup the money that was lost while the business was closed. "Business interruption insurance is designed to keep a business in a 'hold position' after a disaster," explains Summerville. "In most cases it's something that's vital to them."

Risk management, however, does not simply mean buying more insurance. In fact, Summerville emphasizes that too much insurance can destroy a restaurant's profit margins. Operators can meet with risk management experts to determine what the optimal type of coverage will be. This involves analyzing and identifying an operation's exposure to certain crises and estimating the impact of each. Restaurateurs must determine how much of the risk they want to transfer to the insurance company or other funding alternatives and how much of the risk they should retain. The liabilities that are retained then can be controlled by extra emphasis within the operation to prevent accidents or unexpected loss in these pinpointed areas.

Minimizing damage

If an operator has taken steps to protect the operation, a crisis situation at a restaurant will not necessarily be destructive. By investigating ways to prevent disaster, and establishing standby measures to be activated when the emergency occurs, the best can be made out of a bad situation. ☐

COMMUNICATION

Handling the press during a crisis is never easy, but a well-planned crisis communications strategy is essential to successfully defusing a potential disaster. Regardless of how successfully management has otherwise resolved a crisis, faulty and inadequate communication can erode credibility and cause long-term damage to a business. That is why every operation, from a small independent to a large chain, should be ready with a prepared crisis communications plan.

When an illness, accident, act of violence or other crisis occurs in a restaurant, restaurateurs must be prepared to talk to the media.

Establishing principles

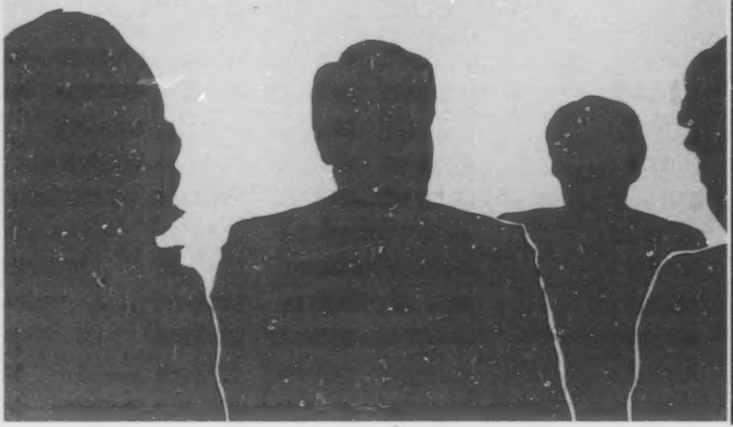
The first step in creating a crisis communications plan is to establish the policies, principles and goals that will guide it. In all cases, your best interests are served by adopting a policy of full disclosure and cooperation with the community, press and local officials.

Take the initiative in disseminating information. By getting the facts out quickly, the spokesperson can stop rumors and provide reassurance to the public. In this way, you can demonstrate that management and public authorities are taking every possible step to resolve the crisis. In general, the more responsive you are to the press, the more positively your restaurant will be perceived by the people in your community.

The importance of being truthful cannot be overemphasized. An operator's credibility before employees, the press and the public can be destroyed by one lie, misrepresentation or intentional failure to disclose relevant information.

The successful crisis management plan needs the support of all employees. Keeping them updated and providing them with instructions on a regular basis helps them overcome their feeling of helplessness and frus-

In general, the more responsive you are to the press, the more positively your restaurant will be perceived by the people in your community.



Bump and run, nuggets and bridging

As the public has become more interested in the foodservice industry, restaurateurs are realizing the importance of preparing in advance for media questioning. Some operators are using training seminars to learn privately from their mistakes, rather than reading about them in the next day's newspaper or viewing them on the news.

Bill Patterson, vice president of Corporate Communicators, teaches one such day-long seminar. In his program, executives and managers can learn new techniques for dealing with intense media situations. Terms such as "bump and run," "nuggets" and "bridging" are being used to teach restaurateurs how to turn a potentially bad situation into a positive public relations opportunity.

What is the meaning of these terms which Patterson believes "will soon be understood in progressive restaurant management training programs"? He explains: "Operators are learning to quickly 'bump' negative questions and then 'run' to their positive comment on the situation.

"The 'nugget' is another simple technique that is often forgotten in the heat and glare of a tense news interview: Keep your answer short and to the point (20 seconds maximum) and don't babble on with more than you want to say."

Finally, "Savvy restaurateurs understand how to bridge an unfair question with a quick phrase: 'That's an interesting point, but the bigger question here is what our industry has done to improve foodservice. . . .'"

As a rule, says Patterson, one should remember to "be honest, be candid and beware." Candor will enhance credibility among those who matter most—employees, customers and stockholders.

Crisis communications policy

No matter how large or small your operation is, you should have a written crisis communications policy. This list of objectives will ensure that each member of your team has the same goals in times of emergency. Here is a sample list:

1. Our first priority, at all times, is to protect the well-being of the general public and our employees.

2. The spokesperson is the only member of our organization who will make public statements.

3. We will make public our intentions to cooperate fully with any investigation.

4. We will disseminate information as quickly as possible.

5. We will be truthful at all times; we will hide no relevant facts from the community, press or employees.

tration and could ensure cooperation at a time when it is needed most. In addition, your employees inevitably talk to a large circle of family and friends. Keeping everyone informed ensures that your operation will provide consistent information.

Throughout the crisis, all official inquiries should be referred to the spokesperson. That person is the only one who should release statements.

Spokesperson guidelines

It is the spokesperson's goal at every meeting with the press and public to control the direction of the interview. In the early stages of a crisis, reporters often will not yet have a game plan or particular angle they want to pursue. There may be a great deal of confusion, misunderstanding or fear, particularly in the first hour or so following an incident. Because the spokesperson is in charge of answers to questions about the crisis, the spokesperson is in a favorable position to control the interview if he or she has determined in advance the points that will be made.

Recouping your good name

Waiting until the disaster is nearly over, however, is not the most effective way to nullify the damage to your restaurant's business and reputation. Instead, the process of recouping your operation's good name should be an ongoing process from the moment you perceive the first indication of an emergency.

When appropriate, make a humane gesture that will capture the imagination of the public. This gesture may vary in proportion, depending on your financial resources and the dimensions of the original crisis. It may be a cast-signing party for a person who broke a leg in your dining room, or it may be college scholarships for the children of individuals incapacitated through violence in your parking lot. Make an honest heartfelt gesture, but the media that covered the original incident should know about your action.

You will find that the public will be on your side if you have been frank and candid with them and if you have truly projected a sincere concern for the welfare of your customers. Remember that a restaurant's customers are its most valuable asset.

"I just don't have the time" or "It will never happen to me" are two of the most common excuses given by operators who have not instituted a crisis management plan. In this age of rising costs and hazards, however, being prepared for emergencies is a necessity, not a luxury. For today's foodservice operator, lack of preparation can be a recipe for catastrophe. ❑

Adapted from The Foodservice Operator's Crisis Management Manual *published earlier this year by the National Restaurant Association.*

Working with the press

1. Have a message in mind before you begin each interview and work to direct the interview toward that message as you answer questions.

2. Answer explicit questions directly if it is obvious that you know the answer.

3. Unless you are absolutely certain about the answer to a question, don't try to answer it. But remember that "no comment" is the worst response that can be given to the media during a crisis. Instead, say, "I will get back to you after I gather all the facts."

4. Make it clear that the welfare of the victims and the community is your top priority.

5. Let everyone know that you are a "good citizen" by emphasizing your past safety record. Let the public know that you had taken precautions, but that the event was unavoidable.

6. Never answer a question "off the record."

7. Be thorough in preparing statements. Limit the opportunity for anyone to speak off-the-cuff.

8. Be certain that every statement you release is clear and concise—free of ambiguity or technical jargon.

9. Align yourself with the public. How you are perceived is almost as important as what you say. The public is interested in what affects them, not what affects your operation. If all statements are made from the public's point of view, not the restaurant's, your position will be more acceptable and credible.

10. Make the public and customers feel that everything is under control. Be truthful and factual about the current state of the situation, the cause of the incident and the effect of the incident, and report the facts as calmly as possible. But if the media is going to quote you, say what you want them to know. Remember: If you don't want to hear it or read it, don't say it.

11. Be cooperative and make yourself available to the media. Present your position and give the media the information that the public should have. It is in the best interest of the company if this information comes from you rather than other sources.

12. Treat all reporters equally. Return calls as promptly as possible to establish good ties with the media. Let reporters know when updated information is expected.

13. Do not allow yourself to be provoked. Humor, unless unsuitable to the situation, is an effective way to defuse hostility.

14. Decline to assign blame or possible causes of the crisis until all the facts are known.

15. Consult with experts when necessary. The public does not expect you to be an expert on technical matters. So, instead of exceeding the boundaries of your knowledge, get the assistance of authorities who can make appropriate statements related to your crisis. A medical expert's testimony about a disease or a foodborne illness, for example, can be a great help in clarifying the subject and allaying the public's fears.

16. If a reporter tells you what someone else has said about the situation, don't feel compelled to respond to the other person's comments. Instead, simply restate your position.

RESTAURANT

T-SHIRTS

The "HAMBURGER" Unit
NEW BUFFALO
CAFE
RIO GRILL

by Cecelia Niepold

Want to create hundreds of walking advertisements within a matter of weeks? Boost your bottom-line profits without spending a fortune in start-up costs? Start selling T-shirts.

Skeptical? Hard Rock Cafe T-shirts are worn by millions around the world. The Bull and Finch Pub in Boston sold $75,000 worth of its wearables in just one week. And, San Francisco's Fog City Diner T-shirts have been spotted as far away as the sidewalks of Europe.

No longer bland, utilitarian undergarments, T-shirts have become desirable, even fashionable, personality statements. Americans seem to love bright, jazzy T-shirts with catchy logos and an association with a specific place or event. Restaurant T-shirts fit that bill perfectly. They make great souvenirs and presents, and they are a favorite way for customers to say, "I've been here."

You, too, can reap the rewards of merchandising T-shirts. "It's not a big investment," maintains Thomas Kershaw, owner of the Bull and Finch Pub. "There is gold in the product market."

Think about it. If each T-shirt costs an average price of $5 and sells for $10, you only have to sell one T-shirt a day to cover costs. And for many restaurateurs, just covering the costs of T-shirts is more than worth the intangible benefits of their long-term advertising value. "I don't think you can put a price on the promotional value of T-shirts," says Geri Kelley, advertising director for Jose Babushka's in Grand Rapids, Michigan. "We never intended to make a lot of money from our T-shirts; they are simply a great vehicle for merchandising our name."

Although casual and theme restaurants have traditionally been associated with T-shirts, more upscale establishments are realizing the promotional benefits of the products as well. Jeannette McNeil, director of sales for Winterland Productions, a large sportswear manufacturer in San Francisco, points to the Rio Grill, a contemporary Southwest/California cuisine restaurant in Carmel, California, as an example. "The Rio Grill's T-shirt design is so beautiful (raised white letters atop a slash of bright tangerine and aqua against a peach background) that it captures the essence of the fine dining at the restaurant," she says.

A multitude of uses

Because T-shirts are fairly inexpensive to produce and can be developed in many different forms—from short sleeves to tank tops—there is no one way to merchandise them. Here are some ideas:

□ **The logo.** One of the simplest ways to create a T-shirt is to use your restaurant's logo as the primary focus. If you have a great logo, why not let your customers advertise it? The Fog City Diner in San Francisco, for example, decided to use its signature "Don't Worry" clock, which brightens the outside of the restaurant, as its T-shirt's centerpiece. The T-shirt re-creates the logo with fluorescent lime green letters that jump off the bright red diner-shaped background. To give the shirts a different, more personalized look, the letters are slightly raised, creating an almost three-dimensional effect. The strategy has worked. "We sell at least 10 to 15 shirts a day," says general manager Doug Biederbeck.

□ **Catchy slogans.** Catchy slogans can also build customer recognition. At Estaban's, a seven-unit Mexican restaurant group in Minneapolis, Minnesota, yellow letters on forest green T-shirts say, "Fill to this line with margaritas." The slogan is underscored by a bold dotted line. "We sell the shirts for $4.95—just above cost—because we just want to remind customers about our concept in a catchy way," explains Cindy Mingo, controller. The company also produces children's T-shirts which say, "Fill to this line with tacos."

□ **Menus.** Some restaurants have found that printing their menus on T-shirts can be effective. The Sports Cafe, an upscale seafood place in San Francisco, has been promoting its menu on the backs of customers for years. Although the menu has changed somewhat, the shirt continues to work as a marketing tool since it does not include prices and clearly communicates the restaurant's seafood concept.

□ **Emphasize unique association.** If your restaurant has a unique appeal, something special about it that you can promote, T-shirts are the perfect vehicle. For instance, the Bull and Finch Pub in Boston has become famous through its association with the "Cheers" TV show. "When people realized we were the inspiration for the show, we put both logos on our shirts and sales really began to climb," explains Thomas Kershaw. Now the company sells 40 different items, from running gear to glassware, and has set up a separate corporation to handle the marketing and merchandising. Kershaw expects his merchandise business to bring in about $4 million this year t[illegible]gh local vendors, sales at the pu[illegible]d a new catalog.

Sloppy Joe's in Key West, Florida, has also turned an association into a profitable sideline. Long-known as Ernest Hemingway's hangout, the bar has printed T-shirts and other merchandise with an illustration of Hemingway on the front along with the bar's name and location. Sales have been so strong (50 to 100 dozen shirts a week) that there is now a small boutique in the bar featuring the T-shirts and other items.

□ **Special events.** T-shirts are also a great way to promote special events. Jose Babushka's, a Polish-Mexican concept in Grand Rapids, Michigan, has turned this art into a science. Its two locations each have special promotions about every other month, and the company produces a customized T-shirt for each event. The shirts' themes reflect the emphasis of the individual promotions, using the company's signature cartoon characters—Jose and his burro—in different ways. For instance, for a beach party, Jose and his burro were featured sitting in lounge chairs sipping cold drinks.

Hard Times Cafe, a two-unit chili restaurant in Alexandria, Virginia, and Rockville, Maryland, also produces different T-shirts for the annual chili cookoffs the company co-sponsors. The T-shirts, which usually include the restaurant's signature "Depression-era child in a washtub" logo, are sold at the events and are generally underwritten by the other sponsors. The partnership works well. Hard Times doesn't have to invest in the cost of the T-shirts, patrons enjoy taking home a souvenir and whatever profits are made are donated to a designated charity.

□ **Community events.** T-shirts are also a popular way to publicize involvement with local events. For instance, Nick's International Sportsmarket in New York City hosted a brunch on the morning of the New York marathon, giving away "official" marathon T-shirts to all customers.

And, the Lynnhaven Fish House, a seafood restaurant in Virginia Beach, Virginia, benefited from communicating a local concern with its T-shirts. The restaurant received a certificate of recognition from the Chesapeake Bay Commission for giving away thousands of T-shirts which said "Save the Bay" in four different languages.

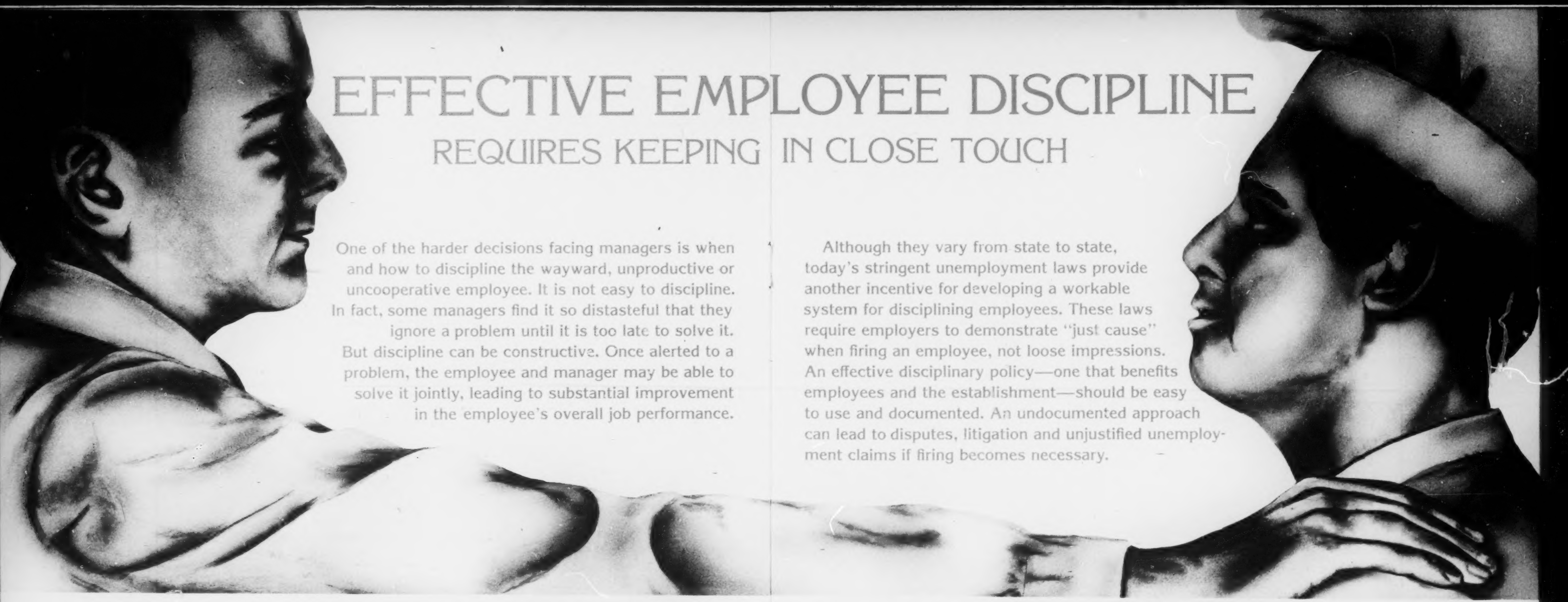
Only a beginning

Whatever design and merchandising method you choose, T-shirts offer much opportunity for building business and profits. They can be used to promote your restaurant, emphasize something special about your establishment or be given away as unique promotional gifts.

And, once you start reaping the rewards of T-shirt sales, you may want to branch into other merchandise or even catalog sales. As Thomas Kershaw says, "Once a restaurateur decides to merchandise products, he/she may find it becomes one of the largest profit centers." ❑

Cecelia Niepold is managing editor of **Restaurants USA.**

THE WATERFRONT
Seafood Restaurant
Pier 7
San Francisco
SLOPPY JOE'S
KEYWEST
Cheers
BOSTON
FOG CITY
DINER



EFFECTIVE EMPLOYEE DISCIPLINE

REQUIRES KEEPING IN CLOSE TOUCH

One of the harder decisions facing managers is when and how to discipline the wayward, unproductive or uncooperative employee. It is not easy to discipline. In fact, some managers find it so distasteful that they ignore a problem until it is too late to solve it. But discipline can be constructive. Once alerted to a problem, the employee and manager may be able to solve it jointly, leading to substantial improvement in the employee's overall job performance.

Although they vary from state to state, today's stringent unemployment laws provide another incentive for developing a workable system for disciplining employees. These laws require employers to demonstrate "just cause" when firing an employee, not loose impressions. An effective disciplinary policy—one that benefits employees and the establishment—should be easy to use and documented. An undocumented approach can lead to disputes, litigation and unjustified unemployment claims if firing becomes necessary.

by Kathy Boyle

Operators unanimously agree that the key to effective employee discipline is keeping in touch with employees. Good communications begin with clearly defined expectations. Often this begins during the job interview. "We explain our system of 'core values' to potential employees at the interview," explains Mike D. Elam, manager of The Winds Restaurant, a 200-seat establishment in Lenexa, Kansas. Core values include such things as a positive work attitude. "This means when employees are on the job, there are no negative conversations or raising of voices," notes Elam. Other core values include appearance and cleanliness. "We tell them what is expected of them before they step a foot in the door," says Elam.

Developing an employee manual

An employee manual is an excellent resource for keeping the company's values before employees. It should outline a company's expectations and serve as an ongoing reminder of unacceptable practices, such as stealing, drinking on the job, health violations, repeated tardiness or too many sick days.

In the past, company manuals were often dry and hard to read. A number of innovators, however, have developed easy-to-read, straightforward versions. At Walt Disney World (22,000 employees; 220 restaurants) in Orlando, Florida, for example, employees are handed a six-page color brochure outlining the company's traditions. "It is part of the way we avoid the problem of having to discipline employees," says Wallace D. Sears, senior publicist. Although the brochure is written simply, critical company expectations are underscored. "For example, in the brochure we stress that we serve 'guests,' not customers or patrons," says Sears. This difference affects employee attitudes and behavior toward Walt Disney World visitors.

But no matter how readable a manual is, it is worthless if the employee does not read it. At The Shore Bird Restaurant in Princeton-by-the-Sea, California, employees are tested on the content of the manual, and the results are kept in each person's personnel file. In addition, employees sign a statement that says they have a clear understanding of the rules outlined in the manual. "In this way, you avoid the 'Oh, I never knew that' statements," notes Rob Buckley, owner in charge of operations at The Shore Bird. "If need be, you can say, 'Excuse me, you said you read and understood the company policy and signed a statement that you did.'"

Disciplining step by step

At The Winds Restaurant, management has developed a one-on-one system of supervision to quickly deal with potential disciplinary problems as they arise. "Our management style is what we refer to as 'high touch,' rather than 'high tech,'" says Elam. "Our belief is that the companies which will be successful in the future must reach out and cultivate the guest. To do that, we have to reach out and cultivate the employee as well."

Most companies have a more structured approach, however. When company rules are broken, a system of warnings is usually used to bring problems to the employee's attention. Usually, the system includes the following steps: restatement of expectations, discussion of the problem with the employee and a signed agreement to correct the problem, a warning if the performance does not improve and, finally, separation if expectations are still not met.

Many operators issue oral warnings for minor infractions and written warnings for more serious offenses. At Allan Elias Catering in Minneapolis, Minnesota, for example, employees are given two oral warnings before the company issues a written reprimand. If the problem is a major one, however, the employee is given a written reprimand the first time, so that he knows another similar problem could cost him his job, explains Allan F. Elias, president. "Of course, in the catering business items are going to be forgotten when we go out on a job. It cannot be helped. Although it can be a serious problem, and one that affects business, it is probably only worthy of an oral warning. However, smoking on the job is not tolerated at our company, and everyone knows it. If I find employees smoking, I know they have no respect for others, and they should be written-up," he says.

Like most companies, Allan Elias Catering usually tolerates two written warnings, but after the third warning, the employee gets fired.

At Fairfax County Public Schools in Springfield, Virginia, the approach is more formalized. "In a large organization such as ours, we follow the book—the employee manual—very closely," says Dorothy Pannell, director of foodservice. "Once a problem is identified, we schedule a meeting with the employee. If after this meeting the problem persists, the manager prepares a letter outlining the problem. This letter is discussed with the employee and is put into the employee's personnel file. At this point the employee has 60 to 90 days to correct the problem. If, after this time period, the problem is not corrected, the manager prepares another letter in cooperation with the personnel de-

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Kathy Boyle is a freelance writer in Rockville, Maryland, who writes frequently for **Restaurants USA.**

partment outlining a probationary period, referred to as a 'period of improvement.' This letter puts into writing the employee's alternatives: often demotion or separation," says Pannell.

Because on-the-job conflicts often stem from personality differences, Pannell says, "We always offer the option to transfer the foodservice employee to another school. And, very often, I have seen employees that had a problem in one location blossom in another."

If employees disagree with decisions reached, they do have access to a grievance procedure, which is handled through the school system's central offices. However, in Pannell's 13 years with the Fairfax County Public School System, she has seen only two grievances taken all the way to the top.

Documenting the problem

Some operators believe that it is unrealistic to expect managers to take time to discuss problems during a busy shift. So, they have developed simple forms managers can use to record unsatisfactory or superior performances called "disciplinary actions" or "complimentary actions." "We wanted something easy to grab during a busy shift," says The Shore Bird's Buckley. "It is really nothing more than a half sheet of paper with space for the name of the employee, the name of the supervisor, and the date and time of the incident."

The forms include five action categories—appearance, performance, attention, attitude, policy—each with a box to check, making it simple for the manager to quickly pinpoint the problem area. The remainder of the space on the form is for a brief management description of the event. For example, if a busboy shows up in jeans instead of the required slacks, a manager checks appearance and notes jeans versus slacks. Then, the employee signs the form, and it is put in the personnel file.

Buckley is quick to note that to make the system work well, employees must see positive reinforcement as well. That is why superior performance is also documented.

Getting a consensus

This spontaneous assessment is only one part of the overall approach at The Shore Bird. "We do not want one person's opinion, but rather a group assessment," adds Buckley. "In addition to the record of actions, we ask for the department head's opinion, the peers' opinions and employees' opinions of themselves. This way we can compare how the employee thinks he or she is doing with what others think."

When the employee is told of the group assessment, sometimes there can be dramatic and gratifying results. "One time, we had an employee who performed well on the job and had a good attitude, but all the peer evaluations noted that he was a whiner who constantly complained. I told him the results of the group evaluation and explained that everyone said the same thing. He said he knew it too. Remarkably, he thought he could change, and he did."

Buckley believes his group evaluation system really works well. "I would say we get positive results in 99 percent of the evaluations," contends Buckley.

Flushing out problems with town meetings

A number of larger companies routinely hold give-and-take sessions where employees can ask management questions about company procedures. These are thought, by some, to head off a number of disciplinary problems. At Walt Disney World, for example, these meetings are open to all of the company's 22,000 employees. The president and top managers make themselves available to answer questions, offer suggestions and update employees on new procedures. According to Walt Disney World's Sears, these sessions are well attended.

In sum

It is important to develop a clear policy of discipline, to communicate it clearly to employees and to use the standards and procedures set up in the policy statement. ❑

Getting to the root of the problem

Restaurateurs agree that on-the-job difficulties are often the result of off-the-job problems, such as car problems, health problems, family problems or babysitter problems. "You usually have to talk to the employee to get to the heart of the matter," says Allan Elias, president of Allan Elias Catering in Minneapolis. "There is usually some underlying problem that should be worked out. If the employee does not want to share it with you, you might create some other support system. For example, I have several people in my employ who had chemical dependencies, in particular alcohol dependencies. Through counseling, they came out of it, and they are now an excellent resource for others with similar problems."

Rob Buckley, co-owner of The Shore Bird in Princeton-by-the-Sea, California, finds that there are often extenuating circumstances. "Once we ask the employee about the problem, something is flushed to the surface. It might mean we have to change the employee's schedule. Maybe his hours were such that he was never seeing his girlfriend or family. Or he did not think he was making enough money and had let his attitude get bad," he explains.

When such a problem surfaces, Buckley generally gives the employee 30 days to make changes, and then he schedules another review. If the review is good, he may award a raise or offer another benefit.

Other operators also give employees a grace period to make amends, and sometimes they take an active part in finding a solution to the problem. Mike Elam of The Winds Restaurant in Lenexa, Kansas, has helped employees solve car problems as a go-between with dealers and with a system of payroll deductions to handle car repairs or the purchase of a new vehicle.

Fringe Benefits
Education and Enrichment Programs

To remain competitive, many operators are looking beyond salary to fringe benefits to attract and keep qualified applicants. Educational assistance programs (scholarships and cash for college incentives) and employee enrichment activities (wellness seminars, management training, health education and language classes) are effective ways to produce more satisfied and loyal employees and a more stable work force.

by Dorothy Dee

"A better educated employee is a smarter one that can grasp the basics of our business more readily," says Fritz von Ulmer, vice president of marketing at The Ground Round, Inc. in South Weymouth, Massachusetts, an organization that just awarded nine $1,000 scholarships. "A better educated employee is a better employee."

The Ground Round scholarships go to employees or their children studying restaurant management at the undergraduate or graduate level. All employees, whether they are salespeople, buspersons, cooks, bartenders, dishwashers or managers, can apply for the award. To be eligible employees must have at least one year of service and be enrolled in a restaurant management curriculum in pursuit of a degree. The scholarship monies can be applied to tuition costs.

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Dorothy Dee is a freelance writer in Bethesda, Maryland.

Other restaurants offering scholarships to employees have similar eligibility prerequisites. Many require an employment history of at least three months or more, satisfactory academic performance (C or B average or better) at an accredited or licensed college or vocational/technical school and demonstrated leadership ability.

Cash for college expenses

Some restaurants, however, provide cash awards that are less restrictive. At the Burger King franchise in Grand Rapids, Michigan, an education bonus program which has been in effect for two years makes up to $2,500 available to eligible crew members for college expenses (tuition, books, dormitory fees) toward any line of study.

Jane Thome, human resource coordinator at the executive offices of the Grand Rapids Burger King, explains that the company embarked on the program after analyzing the results of a 1984 study of fast food workers, which showed that 60 percent of them would like to further their education.

Provided they work the required number of hours (24 per week) and have a high school or general education diploma with a C average, crew members accrue $1,500 after 12 months of employment, $750 more after six additional months of employment and another $750 at the end of 24 months of employment. Enrollees can start drawing on the cash at the end of their first year of employment, but the money can only be used while the crew member remains in the company's employ. If the student withdraws from school or does not satisfactorily complete the course work, the accredited institution returns any unused funds to the company. Of the 1,300 workers employed by the 24-unit franchise, 260 crew members have taken advantage of the program, are currently using it or are waiting to fulfill the time requirement.

And at this Burger King franchise there is an added incentive for workers enrolled in Davenport College, a local business school. Davenport matches the contribution for Burger King students, bringing the available benefit to a total of $5,000.

According to Micki Benz, Executive Director of the W.A. Lettinga Entrepreneurial Center of Davenport College, the college was attracted to the program because "We have a restaurant and lodging management curriculum, and we thought it was a natural." But Benz thinks that a similar program would work well with any local business college.

According to Burger King's Thome, "The cost is expensive, but the benefit program is well-spent. By providing these benefits we are getting a stable work force."

Management seminars

Not all educational programs are scholarships or cash awards in the traditional sense. Some can be as simple as an educational seminar.

Happy Joe's Pizza and Ice Cream Parlor in Bettendorf, Iowa, developed a series of voluntary seminars after discovering a problem with employee retention. "We felt there was a need for a more systematic approach to training," says Barbara Fackel, the company's training director. "The main problem was probably in the area of the assistant manager. We wanted to train them for management, but they weren't prepared, and, if a slot was open, they would be tossed in and not be ready for it."

Fackel now conducts a series of four day-long voluntary seminars for managers, supervisors and key employees at various locations throughout the 85-unit company and on company time. Topics aim to improve management skills and effectiveness on the job. Seminars focus on subjects like communication skills, supervision, interviewing and hiring new employees, orientation, motivation and performance review. Commenting on the company's new policy, Fackel said, "We are trying to retain some of our good people by offering training as a benefit. Now we are setting them up to succeed instead of to fail or leave us." Is it working? Fackel thinks so. "We haven't lost as many key people as we felt we were losing before."

The culinary tour

Sometimes educationally enriching experiences, such as a culinary tour

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to an American city or abroad, can be quite elaborate. Carolina's Restaurant, a 60-seat establishment in Philadelphia, Pennsylvania, known for its broad ethnic menu and traditional home-cooked items, sent two chefs to the San Francisco area in the summer of 1986. According to General Manager Denise Kramp, "We tried to expose them to other cuisines similar to ours, trying to find items that might be of interest to our menu."

One of the more elaborate trips was a trip to Northern Italy by the owner and staff of Tosti's in Stevensville, Michigan. When Charles Mostov and his wife Ginger (also the executive chef) decided to revitalize their menu with more Northern Italian regional specialties, Mostov encountered resistance from the staff. "We wanted to create enthusiasm, to have the staff understand the direction we wanted to take the restaurant in. To do this we knew it would have to be a firsthand experience," explains Charles Mostov.

So Mostov picked up all the expenses for half of their 42-person staff (5 cooks, 14 waitresses and 2 managers) to travel to Italy to learn about Northern Italian specialties and wines firsthand so that when back on the floor they could make informed recommendations to patrons. Only the airfare was paid for by the staff. The Mostovs felt that by paying for the flight, the employees demonstrated their commitment to a career at their restaurant.

The party traveled to several cities in Northern Italy. Chefs took cooking lessons at some of Italy's best restaurants and even studied the preparation of Bolognese specialties with Italian cook Senora Pezzi. Through taste, smell and discussion, the rest of the party gained knowledge and appreciation of the cooking styles that distinguish one region from another. Trip highlights included dinner at Giannino's in Milan, the restaurant that inspired the decor of the original Tosti's.

Does Mostov feel remorse at the cost of the trip, an estimated $35,000? No way! He believes the investment has returned manyfold. "The biggest impact was in terms of the kitchen," he said. "We made a lot of changes when we came back. We changed the menu. We made major changes in menu descriptions, and dishes became a lot more delicate." It also boosted morale, says Mostov. "It raised the staff's consciousness of Italian food and wine. It gave them a sense of self-confidence. They came back and knew so much more. It was a tremendous boost in terms of staff morale and camaraderie. It also created a tremendous amount of interest in the community. People came here in wonderful numbers."

Enrichment programs

Teaching employees skills that are not directly job-related also boosts morale and decrease turnover and absenteeism.

☐ **Wellness seminars.** Some operators have implemented voluntary wellness seminars on health and lifestyle-related issues. The Marriott Corporation offers voluntary wellness seminars of about one hour in length at noon at least once a month at its corporate headquarters in Bethesda, Maryland. Seminars address general topics such as stress reduction, single parenting and AIDS education or more specific illness-related subjects like diabetes, heart disease, bowel disease and headache control. Pam Farr, Marriott's director of equal employment opportunity and affirmative action, says, "All of this is a way to drive down the cost and increase the productivity. We are trying to get people to make their lives better, so they can be more productive."

The Peabody Hotel, a registered historic building in Memphis, Tennessee, is one of several area businesses that have tapped into a local hospital's Share Program. This program allows the hotel to hire a nurse who comes on-site two days a week. In addition to being available to answer the questions of sick or distressed employees, the nurse conducts seminars each month on self-care issues, such as AIDS awareness, CPR and first aid. Peabody Director of Human Resources Leslee Moore says, "This is a wellness program. You can never do enough for a person's wellness. It also helps the hotel because it cuts down on lost time."

☐ **Medical research and counseling.** In March 1987 the Marriott Corporation hired Options and Choices, Inc. of Cheyenne, Wyoming, a private health education company whose other clients include Federal Express and Gannett News Service, to provide free medical research and counseling to any of the company's employees in the Washington, DC, area. Options and Choices, which operates out of Marriott's headquarters, is staffed by one physician, two masters-level nurses and one health information specialist. Employees can call Options and Choices from 8:30 a.m. to 7:00 p.m. five days a week. After the initial call, an appointment is made with one of the health professionals. According to Bob Dankmyer, director of employee benefits at Marriott, Options and Choices functions as a health education information resource, not a diagnostic center. "If any employee has a question about a condition or one that has developed with one of his/her family, he/she can call Options and Choices to find out all there is to know about the issue." "All there is to know" includes learning how to interact with the health care delivery system, the status of the latest research on the illness, and treatment and non-treatment options.

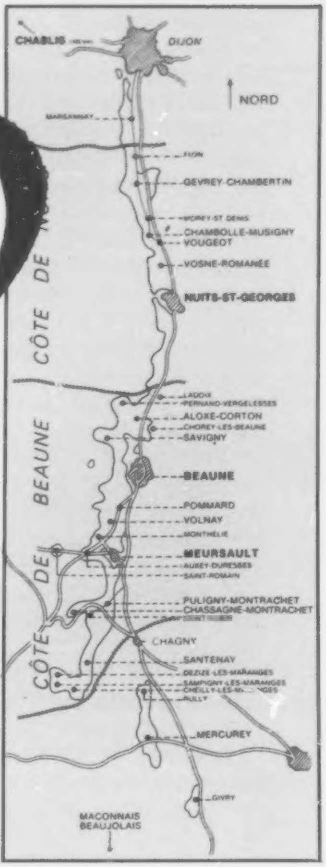
Options and Choices at Marriott is a test run. "Ours is a pilot test to see if we want to continue the test beyond the two-year period and to determine whether we want to expand the program into other parts of the country," explains Dankmyer. Although Options and Choices will cost Marriott $250,000 over the two-year period, the company hopes to reduce medical expenses by more than $500,000 in the same time frame.

☐ **English as a second language.** In an effort to increase job retention and satisfaction among foreign-born employees, some companies sponsor voluntary English classes for their foreign born employees either at a local school or in-house. Companies expect reduced turnover, increased job satisfaction and the possibility of promotion through improved English skills as benefits.

In sum

Educational benefits are one more way that concerned operators are trying to build a stable, happy work force. ❑

BURGUNDY *Wine* TOUR DIARY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BEAUJOLAIS

by Patrice Casey

On September 13, 1987, 29 American restaurateurs landed in Paris, France, to begin the first European wine tour sponsored by the National Restaurant Association in cooperation with Food and Wines of France, Inc.

As the National Restaurant Association's Wine Workshop came to a close last October in Monterey, an informal poll of attendees showed strong interest in a European wine tour. Subsequent followup prompted the association's Educational Foundation to plan a wine tour of Burgundy for the fall of 1987 with help from Food and Wines of France, Inc. in New York. What follows is a diary kept by one of the tour's participants.

Paris, September 13

We arrive at the train station in Paris with a few hours to spare before we are to leave for Macon, our first destination in France. It is a warm, sunny day, so a few attendees did what any self-respecting restaurateurs would do in a new city: They went off in search of a good restaurant for a quick meal. Not feeling too adventurous on their first encounter with French menus, the group opted for snacks of omelettes, quiche and *croque monsieur* (a distinctly French snack consisting of a ham and cheese sandwich that is dipped in an egg batter and lightly toasted)—staples at most cafes and brasseries.

A high-speed train whisks us to the vineyards of Macon. Our first dinner together is at La Ferme du Poulet Chef, once the main building on an estate where poultry was raised but now renovated into an elegant country restaurant. The bus stops outside an archway that leads to a pebbled courtyard with tables supporting enormous white muslin umbrellas. In moments, waitresses appear with trays of bubbly rose-colored kir made with champagne and a splash of cassis. Kir is a common French aperitif that takes on the character of its surroundings, sometimes elegant with champagne; at other times plain when it is mixed with Aligote wine.

Beaujolais, September 14

In the morning at Chateau des Granges we are welcomed by Henri du Rambiteau, who once worked in New York and therefore speaks heavily French-accented English. Grasping a *tastevin*, a cup used for tasting wines, Rambiteau shows his vineyards and cellars with classic French pride. Winemaking at his chateau combines the old with the new. Grand old oak casks sit next to shiny new steel tanks; both are used in the fermenting process today.

We follow Rambiteau down a narrow stone stairwell to his caves where small wine glasses await us on shelves along the front of the casks. Blackboards on the front of the casks are labelled with white chalk scrawls to indicate the vintage. As we taste last year's vintage, Rambiteau relates stories about the race each year to get the first bottles of Beaujolais Nouveau to market in November. He is amused at the lengths to which American wine merchants go to have the first wine in their area. Last year, some even booked seats on the Concorde to obtain the first cases of Nouveau. Over 50 percent of the Beaujolais harvest is now exported to the United States, Rambiteau says, because "it is the only white wine that is red."

Chateau des Granges has been in Henri du Rambiteau's family for six generations.

Patrice Casey is art director at the National Restaurant Association. Casey, a wine enthusiast, attended the wine tour at her own expense.

After lunch the group heads to La Maison Pierre Ferraud, a venerable shipping house for many regional wines. His labels indicate that Ferraud buys grapes from many vineyards to age and bottle as his "selections." Dressed in handsome black aprons bearing the Ferraud logo in red, Monsieur Ferraud and his sons offer a wide range for tasting, including Chiroubles, Macon-Village, Pouilly-Vinzelles and a unique Beaujolais Rose.

Chateau Bonnet, next on our tasting agenda, is a small chateau with just 30 acres of vines. Estates in Burgundy are generally much smaller than their Bordeaux counterparts. Chateau Bonnet grows only the gamay noir au jus blanc, the prime varietal of the Beaujolais region, and it produces about 16,000 gallons of wine. Production is vinified in the estate cellars enabling the winegrowers to bottle their various cuvees at the optimal moment, whenever it occurs.

The Perrachon family has been growing wine for four generations, and our guide is Pierre-Yves Perrachon, eldest son of the Chateau's present owner. Unlike his father or grandfather, he is an enologist who has studied wine-making in California. Pierre-Yves explains that his grapes are harvested from granite base soil, which endows the wine with exceptional finesse and longevity.

CHATEAU BONNET

Small barrels serve as our seats at a table made from a section of one of the grand casks still bound by its original metal bands.

After a tour of the modern fermentation facility, we head down into the caves and emerge in the vaulted room deep beneath the winery that serves as Chateau Bonnet's tasting room. We taste a light Beaujolais blanc —a wine growing rapidly in production and popularity—as well as Chenas, Moulin-a-Vent and Julienas.

Dinner is at Faison Dore, a Michelin one-star restaurant in Villefranche, which opened especially for the group this Monday evening. A two-story stone building, the handsome dining room has large tables for easy conversation and antique armoires for storage beside the stone fireplace. After a glass of kir, pate and an appetizer of poached salmon comes the lamb entree, so tender it can be cut with a fork.

Tournus, September 15

An early morning visit to the Caves of Macon Lugny precedes a visit to the village of Chardonnay, and many of the restaurateurs comment that the dry, crisp wines of this region are the most popular French white wines on their lists. We taste Macon-Chardonnay, Macon-Lugny and Macon-Village as well as Pouilly-Fuisse and its lesser known neighbor, Pouilly-Vinzelles.

The sun is warm as we hike up a narrow path to our luncheon destination in the medieval village of Brancion, and we dine at the Auberge du Vieux Brancion. The Auberge was recently refurbished by Pierre de Muraud, the chef/owner, who centered a raised stone hearth in the main dining room and built pine storage cupboards to blend with the warm panelling. His family serves a memorable six-course lunch that introduces the group to *oeufs en meurette*, a hearty Burgundy specialty consisting of poached eggs in a red wine sauce.

The wines are perfectly suited to each course: Macon-Village de Chardonnay to start with a melange of green beans and lettuce; Macon-Rouge with the *oeufs en meurette* and the *cassolette de bouef;* and Pouilly-Vinzelles and Pouilly-Fuisse to accompany the fish, vegetable and cheese courses.

De Muraud's 10-year-old daughter makes a charming waitress, pouring wine as skillfully as a seasoned sommelier.

Dinner at Restaurant Greuze that evening is a gastronomic highlight of the trip. *Pate en croute* is followed by delicate fish *quenelles* (dumplings) in a seafood cream sauce that are perfectly poached. Tender slices of rare duck breast with a slightly sweet sauce is the main dish.

The service is impressive, even to this seasoned group of restaurateurs, and our request for a kitchen tour after the meal is met with a generous assent by Jean Duclox, the chef. His kitchen is remarkable. An array of porcelain crockery and copper pieces, sized for individual servings, sits in neat stacks on spotless stainless steel shelves. A center island stove allows Duclox to survey the entire kitchen at a glance.

Mercurey, September 16

The vineyards of Antonin Rodet surround a newly renovated chateau and tasting cellar. The Domaine of the Chateau de Chamirey, extending over 65 acres, has belonged to the Rodet family for four generations. We taste two whites, a *premier cru* Montagny Les Chagnots 1986 and Rodet's own Bourgogne Rodet 1982—a blend of chardonnay from the villages of Meursault, Puligny-Montrachet and Montagny.

The chardonnay is smooth and dry, with a hint of oak. One of the two reds is a rare Bourgogne Rodet Vielles Vignes 1978. It is the top of the class Bourgogne Rodet, made only with grapes harvested from vineyards older than 20 years. These grapes are richer in sugar, hold more tanin and colored matter and produce a higher quality juice, which is enhanced by vinification. It has a delicate nose of berries and spices with a long, mellow finish. The last wine, Mercurey Chateau de Chamirey, is distributed exclusively by Antonin Rodet and is a favorite in restaurants throughout the world. The 1982 vintage pinot noir has a richness of taste and body.

Beaune, September 17

Wine is the biggest industry here; everyone seems involved with it in some way. High-volume exporters like Pere Patriarche and Louis Jadot have been in Beaune for centuries.

The multi-colored tile roofs and cobblestone streets of Beaune give it a storybook quality.

Horses pull wagons loaded with wine in oak casks today in Beaune just as they did 200 years ago.

Our tour of the Hospice de Beaune is led by Berit Wallengren, a charming Swedish woman, who has lived in Dijon for many years. She weaves an enchanting history of the hospital/church/gallery for us. The restoration and maintenance of the hospice is financed by an annual grape auction at harvest time.

After an afternoon free to tour Beaune, we descend into Patriarche's historic in-town wine cellars, some dating from the 14th century. We taste five white wines, a dozen reds and a sparkling wine. Nuits St. Georges, Pommard and Musigny offer full-bodied delight. The white grand crus live up to their august reputation. They are dry and crisp with a hint of grass. The Puligny and Chassagne Montrachets are particularly noteworthy.

We taste the wines of Père Patriarche in their cellars beneath the old town's streets.

Dinner is at La Cote d'Or, and we have a guest speaker—Jean-Michel Lafond, director of the Office of Tourism. He demonstrates how one should taste wine—the French way—swishing wine vigorously in the mouth to open its full flavor and exhaling through the nose to capture the wine's true aroma. Complaining that Americans are uncharacteristically shy when tasting wine, he encourages us to lose our inhibitions as we taste. Under his instruction, we sniff and swirl our wines like true Frenchmen. Lafond, a native of Mercurey, expertly describes the region's unique geological peculiarities that combine with the weather to produce excellent grapes. The poor soil (primarily limestone with some clay content), continental climate (rigorous winters and hot summers) and shared exposures east and south make the region ideal for vineyards.

The region is well represented during our dinner. Chardonnay wines accompany our first course—an aromatic cream soup with whole snails topped with puffed pastry crust, a Burgundy speciality.

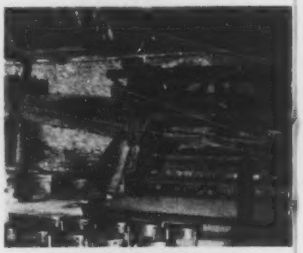
Meursault, September 18

The morning fog still clings to the ground as we approach the Chateau de Meursault. Entering the foyer, we receive individual tastevins with the Meursault crest engraved on the handle. The intimate tasting rooms are lined with grand crus in wooden racks and hold candles which we are encouraged to use to check the wine's clarity. Puligny-Montrachet, Chassagne-Montrachet and other famous white burgundies are well represented.

Lunch is offered at the in-town location of Louis Jadot, a vintner, *negociant* and exporting house that ships more than 300,000 cases a year to the states. But first we visit their new Jadot bottling facility a few miles out of Beaune. It is bustling with activity as we arrive and white cardboard boxes with the familiar Baachus-head logo are stacked up to the ceiling. Many of the restaurateurs have Jadot wines on their lists and attest to their consistency and popularity. We descend in an elevator before our luncheon at the Convent des Jacobins which was built in 1470. Labeling and shipping operations were located here before the modern facility was built.

Our host for lunch, Andre Gagey, has been with Jadot for 33 years. We are seated on tapestry-covered benches in a room with a vaulted ceiling that was once a chapel. Lunch is family style. We help ourselves to bottles of Jadot Beaujolais and Musigny on each of the tables. Gagey proposes a toast at the end of lunch and presents a magnificent 1971 Musigny. It is delicate and buttery; good evidence of the trend toward higher quality reds from the large *negociants*.

We emerge from our lunch into the bright, hot afternoon to travel to Vosnee Romanee, a small producer of excellent red wines. Several restaurateurs buy vintages that are not available back home. Dinner is at Jean-Pierre Billoux's restaurant in a luxurious hotel in downtown Dijon. We ascend the grand circular staircase to enter the majestic dining room.



Medieval monks used huge presses to make the first wines.

Cotes de Nuits, September 19

Our last day in Burgundy starts early with a visit to the Citeaux Monastery to hear the morning chant of the monks. We tour the Clos de Vougeot, where the original wooden presses have been restored, and our friend, Jean-Michel Lafond, rejoins us to explain the layout of the winery.

Nearby, in Morey St. Denis, we visit our last winemaker, Jacques Seysse, at Domaine Dujac. We descend the narrow stairs to his cellars to share last year's vintage directly from the oak casks. Seysse and his wife extract wine directly from top of the casks with a "wine stealer" that looks much like a turkey baster. They will return to top off the casks we have sampled to prevent too much air above the aging wine.

As we tour the musty cellar, we see many large bottles, jeroboams, of their finest vintages. We are curious as to whether their presence indicates a strong, local demand for the grand bottles since they are rare in the States. No, our hosts reply, it is to prevent them from opening too many bottles of their finest vintages themselves except on very special occasions. Even winemakers have to conserve their stock.

We taste several vintages of Domaine Dujac and are impressed by their complexity. Then, just as we are about to depart, the owner brings out a mold-covered jeroboam of a favorite vintage. We are delighted as he uncorks and proudly pours from the heavy bottle. This is what fine wine is for, Seysse says, to share with good friends who appreciate its many facets. We toast to the wines and grand cuisine of Burgundy and, most importantly, to all of the inimitable French winemakers and restaurateurs who welcomed us so graciously. ❑

#87

Managing morale

Although morale is an intangible that is difficult to quantify with precision, the level of morale in a company—like all other aspects of organizational life—can and should be managed. Here is a discussion of some factors that affect morale.

1. The organization's context. Variously termed the "company culture," "esprit de corps," "the (name of company) way" or the "corporate style," each organization has basic philosophical underpinnings and operating and administrative policies which set the foundation of the morale of the workforce—from the headquarters location to the farthest outpost. This organization context must be reasonably stable over a period of time so that morale can be sustained. Constant change can be debilitating, can cause insecurity or can engender a cavalier attitude among employees who come to regard the latest change as yet another temporary measure. If change is necessary, management must take time to rebuild morale.

2. Nature of the position. Using a football analogy, organizational positions can be identified as being "offensive," "defensive" or "special teams" with respect to the primacy of their functions within the company. Sales, public relations and public affairs positions are "offensive" in that incumbents "take it to" the public, whereas the legal, internal audit, quality control and engineering/maintenance positions are "defensive" because they basically protect or defend the organization from breakdown or trouble. The remaining positions are "special teams," such as those in the market research and human resources group, where employees perform specialist functions and enter the corporate spotlight as necessary. It is essential that employees be placed in positions with which they are psychologically and temperamentally compatible or else they will not function well. They can become the proverbial "square peg in a round hole," becoming bored, unchallenged or incompetent and destructive—all qualities that can undermine strong organizational morale.

3. Peer group. Morale can be influenced by the individual's perception of the group of which he/she is a part and, in turn, the group's perception of the individual. High morale groups have a "good fit" between persons who interface with one another at the same level across the organization and vertically within the same unit, department, division or subsidiary. High morale groups exhibit a human synergy; that is, group members realize that the sum of their collective efforts yields a greater output than the simple addition of individual talents. There is a "team" concept and identification, which works better than a random tandem of high-priced or highly talented prima donnas.

4. Control systems. Morale deteriorates rapidly in an environment where supervisory and control systems are perceived to have been established based on distrust of employees rather than on ensuring a flow of quality products or services. When such systems become personalized, many employees feel it is "every man for himself"; the perception is that the company is looking for "gotchas." Involving employees in control system establishment or maintenance, under adequate, but not heavy-handed, supervision can cause employees to "buy into" the system. Morale can be heightened in such circumstances. For example, many construction companies have a sign posted by the timecard clock indicating the number of consecutive days that have passed without an accident. This not only highlights the safety system, but also builds morale.

5. Outside activities. Activities outside the workplace affect morale on the job. If one does not have a constructive outside interest or outlet, such as a hobby, he/she can become consumed by work to an obsessive and unhealthy extent. There is something to be said for the old adage, "All work and no play. . . ." Some outside activities can be destructive, of course, such as gambling or recreation that can result in injury/illness which can cause absence from the workplace. That's why it's important when interviewing prospective employees to learn what outside interests they have and whether such interests are active or passive, time consuming, carry an element of physical risk, etc. These things can and do affect morale.

6. Self-concept. Organizational morale is strongly influenced by the self-concept of the individuals comprising the group. Most people have positive self-concepts; a proportion have unsteady self-concepts, but are strengthened by association with stronger people; and a proportion have weak self-concepts, generally needing help above and beyond what they can find (or absorb) in an organization. People with weak self-concepts can be an anchor on the organization, and, if such situations are permanent or nonremedial, in a short period of time they generally separate (or are separated) from the organization.

Fisher's Law #87: ***Strong morale can be the perpetual motion machine that runs an organization.***

TAXPAYERS
with dependents

HERE'S A TAX TIP!
Beginning with your 1987 income tax return that you will file in 1988, you generally must list social security numbers for dependents who are at least five years old by the end of 1987. If any of your dependents do not have this number, get an application form today from the Social Security office in your area.

TOYOURHEALTH

Is caffeine culpable?

Americans are cold on coffee. Once the beverage of choice, the International Coffee Association reports that coffee consumption (brewed and instant) has declined from an average of 3.12 cups (5 ounces) per person per day in 1962 to 1.76 cups in 1987. Meanwhile, consumption of the decaffeinated brew is rising from 0.10 cup per day in 1962 to 0.43 cup in 1987. This trend is apparently reflected in foodservice. According to CREST, coffee orders decreased from 1982 to 1986 by 15 percent, while orders for the decaffeinated version rose 114 percent.

Consumers' health concerns

Some speculate the shift from regular to decaffeinated coffee is motivated by health concerns. A 1987 National Restaurant Association study, *Beverage Preferences: A Consumer Attitude Survey*, found that about half (52 percent) the restaurant patrons surveyed avoid caffeine, and 21 percent claim to do so on their doctor's recommendations. But are their concerns justified? Caffeine has been accused of being the culprit in a number of diseases, from ulcers to heart attacks, but when it comes to final judgment, evidence supporting a cause-and-effect relationship is often lacking.

One unequivocal physiologic fact about caffeine is that it is a stimulant and is probably one of the world's most widely used drugs. Caffeine stimulates the central nervous system, producing the familiar "coffee buzz" cherished by many reluctant early risers. In addition, coffee can increase both heart and metabolic rates, stimulate secretion of gastric juices, increase urine production and enhance muscle capacity.

For most consumers, the stimulating effects produced by moderate amounts of caffeine are harmless and transient. But excessive doses (the amount in five 6-ounce cups of strongly brewed coffee) can cause "coffee nerves" characterized by anxiety, sleeplessness, diarrhea, headache and heart palpitations, especially when consumed in a short period of time.

Ulcer sufferers have long been advised to avoid coffee because it promotes gastric acid secretion which irritates ulcers. But, since it has been shown that both regular and decaffeinated coffees produce this effect, it seems that caffeine is not the offending agent. Moreover, coffee consumption has not been correlated with the risk of developing new ulcers.

Caffeine involvement in heart disease is not clear-cut either. Some studies have correlated coffee consumption with the incidence of heart disease, but others have not. While scientists agree that coffee consumption in moderation does not promote heart disease, excessive intake of any stimulant is unwise.

In 1981 a group of researchers reported that coffee consumption as low as one to two cups per day increased the risk of pancreatic cancer. Wide publicity of this report put the fear of cancer in many coffee drinkers. Other researchers have been unable to confirm the results of this study, but some have found that cigarettes and occupational exposures are a risk for bladder cancer. And many heavy coffee drinkers are also cigarette smokers.

Caffeine and other similar substances have been associated with fibrocystic (benign) breast disease. Although absolute evidence proving the link is lacking, some physicians prescribe a caffeine-free diet to alleviate the uncomfortable symptoms associated with the disease. Whether or not caffeine contributes to the development of benign breast lumps remains questionable.

Two or fewer cups per day seem to pose little hazard to most adults. Yet, some groups, such as pregnant women, are more vulnerable to coffee's effects than others. Not only do they metabolize caffeine at a slower-than-normal rate, but caffeine also crosses the placental barrier and reaches the fetus. Pregnant women are advised to be prudent about caffeine consumption because it has caused low birth weights and birth defects in animals. Although children customarily are not coffee consumers, they are exposed to caffeine through soft drinks. Behavioral changes have been observed in children consum-

Average caffeine content of selected foods

	Milligrams of caffeine
Coffee Beverage (5-ounce cup)	
Brewed, drip	115
Brewed, percolated, automatic	80
Instant	65
Decaffeinated, brewed	3
Decaffeinated, instant	2
Tea (5-ounce cup)	
Brewed, domestic	40
Brewed, imported	60
Instant	30
Iced	29
Soft Drinks Containing Caffeine (12-ounce portion)	
Canada Dry Jamaica cola	30
Coca-Cola	45
Cola/pepper sodas	30–46
Cola soda, decaffeinated	trace
Cola soda, decaffeinated, diet	trace
Diet Coke	45
Diet-Rite Cola	36
Dr. Pepper	40
Dr. Pepper, Diet	40
Mountain Dew	54
Pepsi Cola	38
Pepsi, Diet	36
Pepsi Light	36
Royal Crown Cola	36
Royal Crown Cola, Diet	33
Royal Crown with a Twist	21
Shasta Cola	44
Shasta Cherry Cola	44
Shasta Diet Cola	44
Shasta Diet Cherry Cola	44
Tab	45
Chocolate and foods containing chocolate	
Baking chocolate—1 ounce	35
Milk chocolate—1 ounce	6
Milk chocolate w/almonds, Hershey— - 1.05 ounces	5

ing caffeine at levels equivalent to about six 12-ounce cans of cola a day.

Caffeine content of foods

Because caffeine is confined to a few foods (coffee, tea, chocolate, cocoa and soft drinks), it is a substance fairly easy to avoid. Coffee is the most concentrated source of caffeine and probably the most variable. The content varies according to type (instant vs. ground) and method of preparation. Tea contains considerably less caffeine than coffee—about one-half to one-fifth the content—and its levels are also subject to variation. Decaffeinated coffee and teas are nearly caffeine-free, and hot chocolate and cocoa beverages contain small amounts.

Ironically, much of the caffeine removed from coffee is sold to the soft drink industry and ends up in carbonated beverages. Prior to the late 1970s, colas and peppers were the only caffeine-containing soft drinks available. Caffeine is now added to some noncola beverages, primarily citrus-flavored soft drinks.

Finally, caffeine is an ingredient in many drugs—both prescription and nonprescription varieties—due to its pharmacologic effects. It is commonly used in pain relievers (constricting swollen blood vessels in the head that cause headaches), cold preparations and weight-control products.

Adults consume a daily average of approximately 200 mg. of caffeine. About 80 percent of this caffeine intake is from coffee, approximately 10 percent from tea, 6 percent from soft drinks, 4 percent from over-the-counter drugs and less than 1 percent from chocolate foods and beverages.

Although children consume far less caffeine (a daily average of about 40 mg.), soft drinks, tea and chocolate products contribute a larger percentage of the caffeine in their diets.

Recommendations to operators

One of the best ways operators can serve patrons cutting back on caffeine is to offer a decaffeinated coffee, particularly one that is freshly brewed. The National Restaurant Association's survey of beverage preferences showed that a large majority (81 percent) of coffee drinkers believe restaurants should offer decaffeinated coffee, specifically brewed decaffeinated (76 percent).

Ironically, decaffeinated coffee has not escaped criticism from public health advocates. Although decaf is at least 97 percent caffeine-free, methylene chloride, the chemical used in the decaffeination process, has been accused of causing liver cancer in experimental animals. Because large doses of methylene chloride (equivalent to human consumption of up to 6 million cups of decaffeinated coffee a day for a lifetime) failed to produce a cancerous response in rats and mice, the Food and Drug Administration (FDA) has determined that the potential risk from using the chemical in the decaffeination process is "essentially non-existent." Plus, residues of the solvent in decaffeinated coffees are extremely low. Nonetheless, an alternative method of decaffeination has gained popularity as a result of the stir over methylene chloride. Instead of using a solvent such as methylene chloride to extract caffeine, the water process method relies on soaking and rinsing procedures and charcoal filters to eliminate chances of chemical residue.

Flavored decaffeinated coffees are growing in both popularity and availability. Some establishments merchandise their decaf selection by presenting whole beans to patrons for selection and then grinding the beans and brewing to order.

Although tea contains less caffeine than coffee, some consumers opt for caffeine-free herbal teas in an effort to reduce caffeine intake. These can contain naturally occurring toxins; some of these may be harmless, while others may be harmful, even in moderate amounts.

Finally, some consumers are turning to grain-based beverages as caffeine-free alternatives to coffee. Postum, a mixture of roasted wheat, bran and molasses, was originally marketed in 1895 as the answer to "coffee nerves" by cereal tycoon C.W. Post. Although distinctly different in flavor, Postum and other cereal beverages may appeal to some.

—Claire Regan, R.D.

nd drugs

	Milligrams of caffeine
Milk chocolate w/almonds, Nestle—1 ounce	6
Milk chocolate chips—¼ cup	8
Sweet (dark) chocolate—1 ounce	20
Chocolate brownie w/nuts—1¼ ounce	8
Chocolate cake—1/16 of 9-inch cake	14
Chocolate covered candy—1 ounce	3
Chocolate ice cream—⅔ cup	5
Chocolate fudge topping—2 Tablespoons	4
Chocolate milk—8 fl. ounces	5
Chocolate pudding, from instant mix—½ cup	6
Chocolate syrup—2 Tablespoons	4
Cocoa beverage—6 fl. ounces	5
Cocoa, dry powder—1 Tablespoon	11

Non-prescription drugs	Milligrams per tablet or capsule
Anacin Analgesic/Anacin maximum strength/Anacin-3 (for pain)	32
Aqua-Ban (diuretic)	100
Dexatrim (weight control)	200
Dietac (weight control)	200
Dristan/Dristan A-F (decongestant)	16
Excedrin (for pain)	65
Midol (for pain/diuretic)	32
No Doz (stimulant)	100
Neosynephrine (for cold/allergy)	15
Sinarest (for allergy)	30
Triaminicin (for colds)	30
Vanquish (for pain)	33
Vivarin tablets (stimulant)	200

Adapted from: *Food Values of Portions Commonly Used*, Pennington & Church, 14th edition, NY: Harper & Row, 1985 and Food and Drug Administration.

Twenty-five to 34-year-olds:

A thirst for convenience, diversity

The 25 to 34-year-old group is the country's single largest generation—24 percent of the total U.S. adult population—and its movement through various age categories has wrought many social and economic changes.

The importance of this age group to the restaurant industry cannot be overstated. Because of its size and frequent use of restaurants, this generation accounts for 22 percent of total restaurant industry traffic and the largest share of total traffic at all meal periods across all segments. Moreover, 25 to 34-year-olds are altering the industry as they demand foods and services to meet their unique needs. Results of an exclusive National Restaurant Association CREST survey offer a glimpse into how this group is using restaurants and its effect on current industry trends.

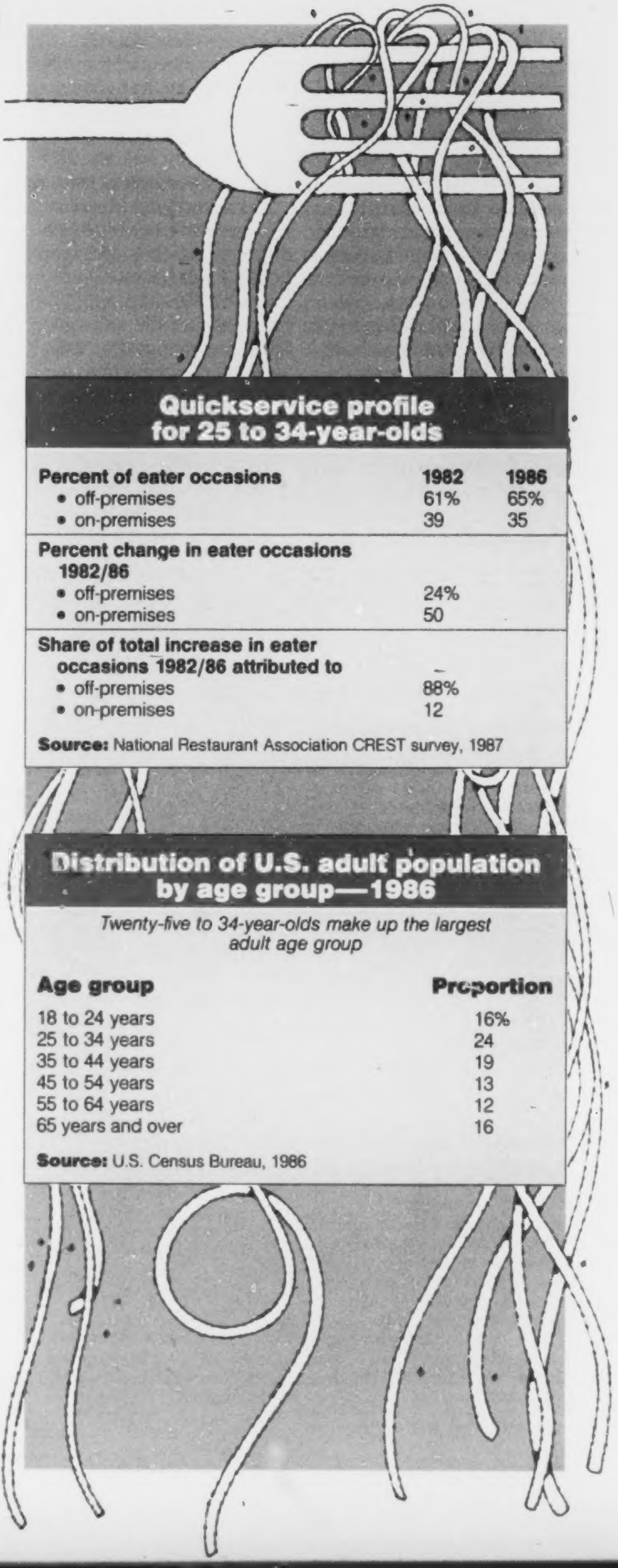
A demographic profile

Why are there differences in the dining-out behavior of 25 to 34-year-olds and those in other age groups? Age is only one reason. Other factors are family structure, labor force participation, income and education.

Family life. Sixty-six percent of all 25 to 34-year-olds are married, and a substantial proportion—57 percent—have at least one child under the age of 18. In fact, most parents in this age group are busy caring for young children. Forty-four percent have children under the age of six.

Work. More than 90 percent of all males in this age group work, as do 71 percent of all females. And, although the labor force participation rate is higher for single women between the ages of 25 and 34, a substantial proportion of the married women in this age group work outside the home—66 percent. Census Bureau figures reveal that most of these married women work full time. This suggests that a sizable number of the married couple households in this age segment have two wage earners. Also, more than seven in 10 working wives in this age bracket have at least one child under the age of 18, and, for most of these women, at least one child is under the age of six.

Income. Most of the



Quickservice profile for 25 to 34-year-olds

Percent of eater occasions	**1982**	**1986**
• off-premises	61%	65%
• on-premises	39	35
Percent change in eater occasions 1982/86		
• off-premises	24%	
• on-premises	50	
Share of total increase in eater occasions 1982/86 attributed to		
• off-premises	88%	
• on-premises	12	

Source: National Restaurant Association CREST survey, 1987

Distribution of U.S. adult population by age group—1986

Twenty-five to 34-year-olds make up the largest adult age group

Age group	Proportion
18 to 24 years	16%
25 to 34 years	24
35 to 44 years	19
45 to 54 years	13
55 to 64 years	12
65 years and over	16

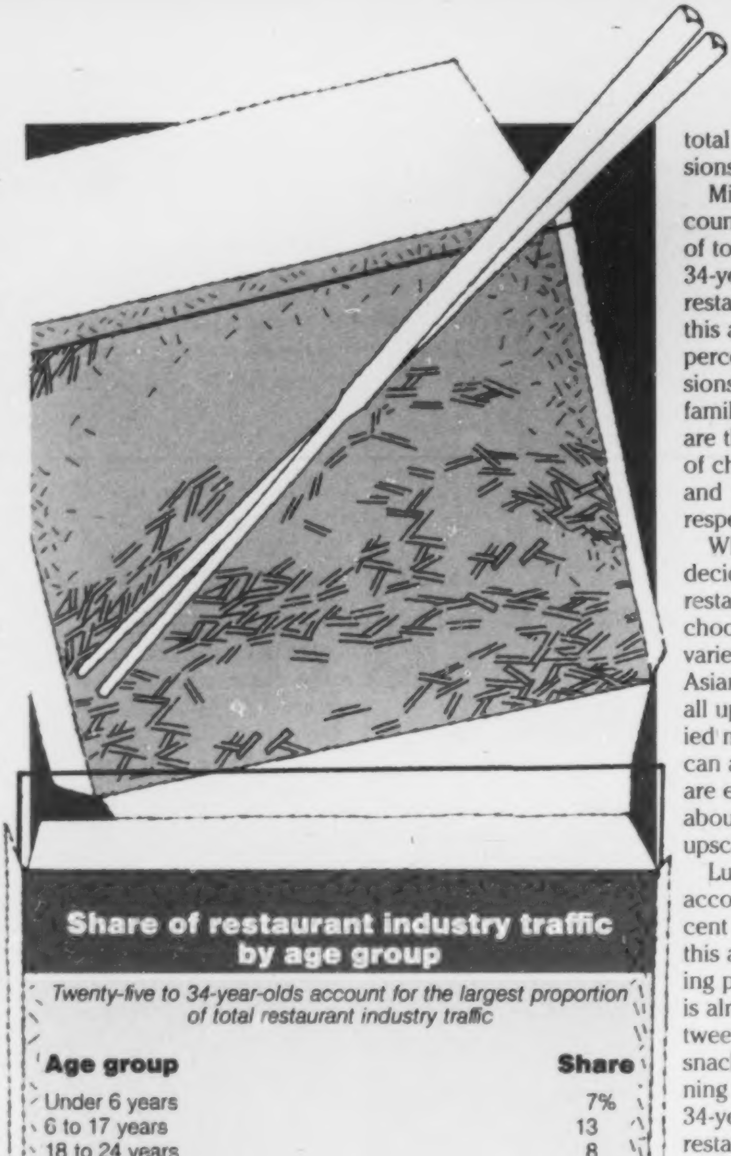
Source: U.S. Census Bureau, 1986

households headed by 25 to 34-year-olds have moderate incomes. Median income in 1986 for households headed by 25 to 34-year-olds was $25,898, about $7,000 less than that for 35 to 44-year-olds and nearly $10,000 below that of 45 to 54-year-olds. Just 13 percent of all households headed by 25 to 34-year-olds enjoy incomes of $50,000 or more.

Rent, mortgages, child care costs and other expenses cut deeply into the incomes of 25 to 34-year-olds. Consequently, this age group has little discretionary income, especially when compared to that of older households.

According to a joint Conference Board/Census Bureau study, households headed by 25 to 34-year-olds hold less than one-fifth of the nation's total discretionary income. And the level of per capita discretionary income for members of this age group is only about one-half that of those 55 years old and older. Nonetheless, households in this age group spend more than 36 percent of their food dollar at restaurants.

Education. Although their incomes may not be as high as other age groups, the earning potential of 25 to 34-year-olds is considered to be higher because they are one of the most well-educated groups in the population. A vast majority of all 25 to 34-year-olds have completed high school. One-fourth of them are college graduates, and another 22 percent have completed at least one year of college. By comparison, only one-third of all 45 to 54-year-olds have been to college, and only 19 percent of these individuals are graduates.



Share of restaurant industry traffic by age group

Twenty-five to 34-year-olds account for the largest proportion of total restaurant industry traffic

Age group	Share
Under 6 years	7%
6 to 17 years	13
18 to 24 years	8
25 to 34 years	22
35 to 44 years	17
45 to 54 years	12
55 to 64 years	11
65 to 74 years	8
75 years and over	3

Note: Total may not add to 100 percent due to rounding.
Source: National Restaurant Association CREST Survey, 1987

Quickservice preferred by 25 to 34-year-olds

Quickservice restaurants capture the lion's share of all visits made by 25 to 34-year-olds to restaurants—about 73 percent. Overall, members of this age group visit quickservice places more often than do older adults, but less often than do young adults and children. Hamburger and pizza places are the most popular establishments with 25 to 34-year-olds, accounting for 37 and 19 percent of their total quickservice occasions, respectively.

Midscale restaurants account for about 19 percent of total occasions for 25 to 34-year-olds and upscale restaurants are visited by this age group on about 8 percent of restaurant occasions. Varied menu and family-style establishments are the midscale restaurants of choice, representing 30 and 15 percent of visits, respectively.

When 25 to 34-year-olds decide to eat at an upscale restaurant, they most often choose places offering a varied menu, Mexican or Asian fare. Thirty percent of all upscale visits are to varied menu places, and Mexican and Asian restaurants are each patronized on about 12 percent of all upscale occasions.

Lunch and dinner each account for about 38 percent of all occasions for this age group; the remaining proportion (24 percent) is almost evenly split between breakfast/morning snacks and afternoon/evening snacks. Twenty-five to 34-year-olds eat breakfast at restaurants on fewer occasions than do older consumers, but stop for a snack in the afternoon and/or evening more frequently than do their older counterparts.

A driving force behind the growth of takeout

Twenty-five to 34-year-olds are heavy users of takeout. More than one-half of all their restaurant visits involve takeout. Moreover, 25 to 34-year-olds are helping expand the off-premises market for restaurant meals, accounting for 26 percent of the total increase in industry traffic for takeout between 1982 and 1986.

More than 90 percent of all takeout occasions by

Distribution of occasions by meal period and restaurant type, 1986

Quickservice restaurants grab the largest share of total visits of 25 to 34-year-olds

	Share of occasions	
	Male	**Female**
Breakfast/A.M. snacks	13%	11%
Lunch	38	38
Dinner	38	39
P.M. snacks	11	12
Quickservice	73	74
Midscale	20	19
Upscale	8	7

Source: National Restaurant Association CREST survey, 1987

Presence and age of children by age group

In most households headed by 25 to 34-year-olds with children, at least one child is under six years of age

	Proportion of total households by age of household head					
	Under 25	**25-34**	**35-44**	**45-54**	**55-64**	**65+**
Households with children	35%	57%	69%	36%	8%	**%
• All children under age 6*	86	44	10	3	3	3
• Some children under age 6 and some age 6 to 17*	10	28	20	6	3	4
• All children age 6 to 17*	4	28	70	91	93	92

*Proportion of total households with children

**Less than 1.0 percent

Source: *Household and Family Characteristics, March 1985*, U.S. Department of Commerce, U.S. Bureau of the Census

Share of traffic growth at ethnic restaurants accounted for by adult age groups, 1982–1986

Twenty-five to 34-year-olds are helping fuel the growth of ethnic restaurants

	Share of traffic growth at		
Age group	**Mexican restaurants**	**Asian restaurants**	**Italian restaurants**
18 to 24 years	8%	12%	*%
25 to 34 years	26	14	30
35 to 44 years	16	22	16
45 to 54 years	12	15	17
55 to 64 years	5	12	16
65 to 74 years	5	7	8
75 years and over	2	4	3

*Traffic counts declined between 1982 and 1986.

Source: National Restaurant Association CREST survey, 1987

members of this group occur at quickservice restaurants, and their use of takeout at quickservice restaurants is growing. Between 1982 and 1986, traffic for off-premises dining for 25 to 34-year-olds at quickservice restaurants advanced 24 percent. And 88 percent of the growth in total traffic for this age group at quickservice establishments was traced to the growth in their use of takeout.

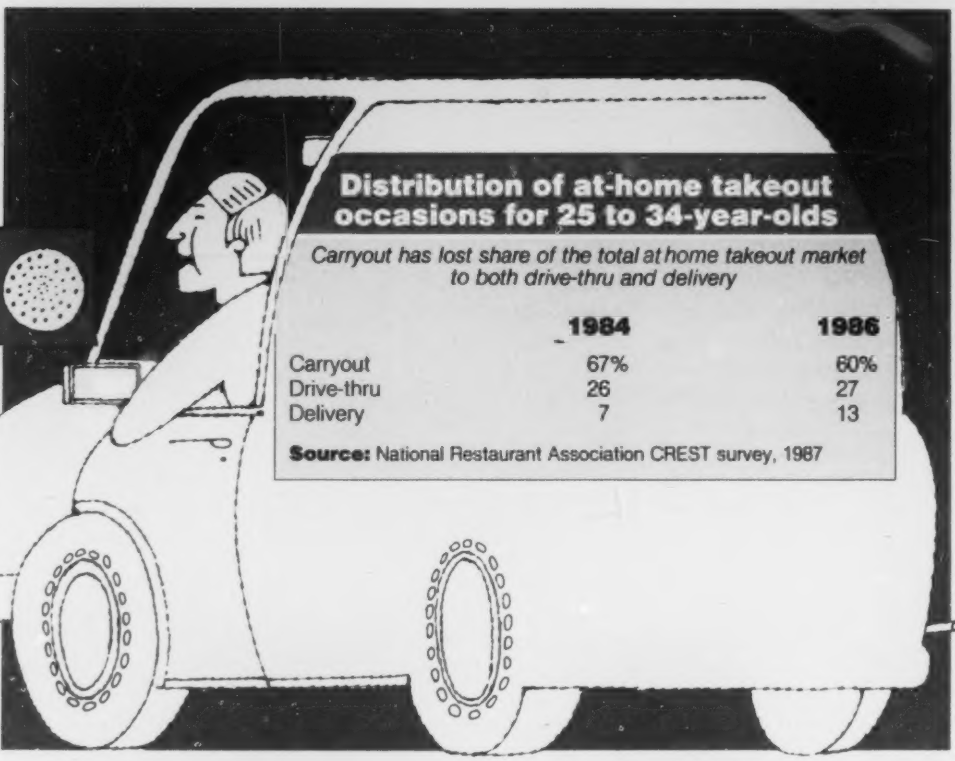
Why do 25 to 34-year-olds buy restaurant meals to go? Lack of time is undoubtedly a primary reason. The majority of them are married, live in dual-income households and are parents of young children. The many demands associated with work and raising children take up a great deal of time. A United Media Enterprises 1983 study on leisure time found that dual-career parents said they have, on average, 23 hours available for leisure per week. This was the lowest amount of all the groups questioned. Moreover, 46 percent of dual-career parents reported they always feel rushed to complete their daily activities, and another 43 percent said they often feel rushed during the course of the day. Having restaurants prepare their meals frees time that normally would have been spent preparing food at home. And purchasing those meals for consumption outside the restaurant means that extra time can be spent on the job or at home with their families.

More takeout meals going home

Although more than one-half of all takeout meals purchased by 25 to 34-year-olds are consumed at work or another location outside the home, it is the at-home segment of the takeout market that has registered the most growth in recent years. Traffic counts for at-home consumption of takeout foods increased 41 percent for this age group between 1982 and 1986. Sixty percent of all restaurant meals eaten at home by 25 to 34-year-olds are purchased through traditional carryout, and 27 percent are bought at the drive-thru window.

While carryout and drive-thru are the most popular forms of takeout used by 25 to 34-year-olds when they purchase meals to eat at home, the share of at-home occasions that were delivered nearly doubled between 1984 and 1986 to 13 percent.

Growth in home delivery accounted for 42 percent of the total increase in traffic for takeout meals eaten at home. By comparison, 30 percent of the growth for takeout meals eaten at home by 25 to 34-year-olds can be traced to an increase in drive-thru, and the remaining 28 percent can be traced to carryout. Pizza places are clearly leading the way in the expansion of the home-delivery market for this age group, account-



Distribution of at-home takeout occasions for 25 to 34-year-olds

Carryout has lost share of the total at home takeout market to both drive-thru and delivery

	1984	1986
Carryout	67%	60%
Drive-thru	26	27
Delivery	7	13

Source: National Restaurant Association CREST survey, 1987

ing for nearly all of the increase in the use of home delivery between 1984 and 1986.

Ethnic cuisine popular with 25 to 34-year-olds

In addition to takeout, one of the hottest areas of growth in the restaurant industry in recent years has been ethnic cuisines. Americans are learning to enjoy the fiery taste of Mexican fare, the exotic flavors of Asian cuisine and the many nuances of Italian cooking. Mexican and Asian restaurants now exist in all segments of the industry—from fast food to upscale—and the Italian segment is quickly being penetrated by chain restaurants.

In general, 25 to 34-year-olds patronize Mexican, Asian and Italian restaurants on a larger proportion of occasions than do members of other age groups. And their use of these types of establishments has grown. Between 1982 and 1986, customer counts for baby boomers grew 37 percent at Mexican restaurants, 28 percent at Asian restaurants and 30 percent at Italian restaurants.

Share of quickservice traffic increase accounted for by on and off-premises dining, 1982–1986

Most of the increase in visits to quickservice restaurants by 25 to 34-year-olds can be traced to growth in off-premises consumption

Age group	On-premises	Off-premises
25 to 34 years	12%	88%
35 to 44 years	34	66
45 to 54 years	49	51
55 to 64 years	45	55
65 to 74 years	71	29
75 years and over	66	34
Overall	32	68

Source: National Restaurant Association CREST survey, 1987

Because this age group is patronizing Mexican, Asian and Italian restaurants more than they have in the past, they are playing a large part in the growth of these types of ethnic eateries. Twenty-five to 34-year-olds have been particularly important in the expansion of Mexican and Italian restaurants. Of the total increase in traffic recorded at Mexican restaurants between 1982 and 1986, 26 percent was accounted for by 25 to 34-year-olds, and 30 percent of the increase in customer counts at Italian restaurants traces to this age group. Twenty-five to 34-year-olds are also helping drive the growth of Asian restaurants, accounting for 14 percent of the total increase in customer counts at Asian restaurants between 1982 and 1986.

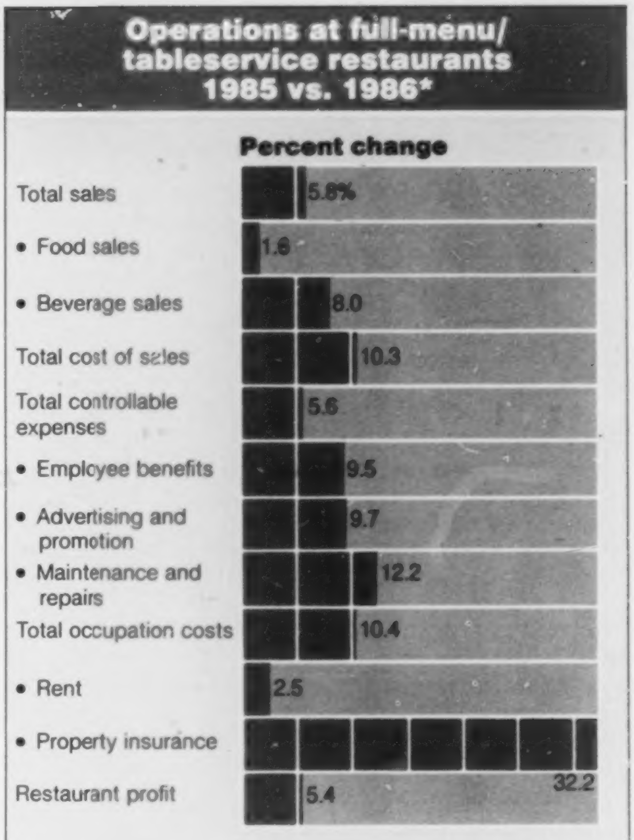
Looking ahead

Because of its sheer size, the group of consumers currently between 25 and 34 years of age will remain important to the restaurant industry in the future. The industry is already adapting to meet their foodservice demands—demands that arise from their unique demographic characteristics, lifestyles and attitudes. Convenience is a top priority of these individuals, many of whom struggle to balance the challenges of family life and careers. In addition, their thirst for diversity has opened the way for ethnic cuisines. In response, takeout options are increasing, and purveyors of ethnic fare are expanding rapidly.

As this age group moves into their peak earning years, the questions to consider are: Will their restaurant behavior shift to mirror more closely that of today's middle-aged and older consumers, or will they carry the habits they practice today into their later years? As their children grow up will their desire for convenient takeout meals diminish? Will their taste for ethnic cuisines wane? Will quickservice restaurant visits be replaced by visits to midscale and upscale restaurants? Answers to these questions will be revealed in time. The ability of operators to meet this consumer group's demands will undoubtedly be an important element in a restaurant's success in the years ahead. *—Kate Conroy*

1986 restaurant sales up from 1985

Total sales and restaurant profits were higher in 1986 than in 1985 at full-menu establishments, according to a special analysis of the 1987 Restaurant Industry Operations Survey *results. This analysis, which focuses on respondent establishments that reported operating data for two consecutive years, reveals above-average increases in spending for employee benefits, advertising and promotion, repairs and maintenance, and insurance.*



**All percent change figures are based upon median dollar amounts per seat and are not intended to be representative of or set standards for the industry. Full-menu/tableservice respondents providing two years of comparable data numbered more than 250.*
Source: National Restaurant Association, *1987 Restaurant Industry Operations Survey*

Total sales for full-menu/tableservice restaurants were up nearly 6 percent in 1986, with restaurant profits up 5 percent. Some of the more notable cost increases included:

□ **The increase in employee benefit expenses.** This increase was pronounced at respondent tableservice establishments, measuring nearly 10 percent. It may reflect efforts to deal with a tighter labor market as foodservice employers improve benefits to be competitive with other employers. Payroll expenses also rose, but at a slower pace.

□ **An increase in advertising and promotion costs.** Efforts to increase customer traffic in a competitive environment have increased the importance of advertising and promotion for tableservice restaurants as well as for fast food establishments. According to data from the Television Bureau of Advertising as reported in *Broadcast Advertisers Reports,* fast food and restaurant chains increased their television spending by 13 percent between the first half of 1986 and the first half of 1985. CREST data indicate that the incidence of promotion usage increased as well, from 11.3 percent of all occasions in 1985 to 12.7 percent in 1986. The National Restaurant Association's operations survey supports these findings. It indicates that the median per-seat cost for advertising and promotion was up nearly 10 percent at full-menu restaurants.

□ **Repairs and maintenance.** To stimulate customer traffic, operators are repositioning restaurants through design and menu changes. Median expenditures on repairs and maintenance increased 12 percent at full-menu/tableservice establishments. (Changes that involve painting, decorating and building alterations that are not considered improvements fall into the repairs and maintenance category.)

□ **Property insurance costs** rose 32 percent at full-menu/tableservice restaurants between 1985 and 1986. Although commercial insurance rates nationwide are generally above their levels in the early 1980s, the increase at full-menu restaurants covered by the survey seems large. However, it is difficult to evaluate this information without the benefit of historical data. It is possible that the property insurance category is inadvertently reflecting other insurance costs, such as liability and burglary, in addition to coverage on buildings and their contents.

□ **Property taxes** increased as well, but at a much lower rate. Rent costs were 2.5 percent higher at full-menu/tableservice operations, while music and entertainment expenses decreased 20 percent, suggesting that entertainment was limited in 1986 as a cost-cutting measure.

More complete information concerning restaurant operating costs for 1986 is available in the annual National Restaurant Association publication entitled *1987 Restaurant Industry Operations Report.* This publication details operating data by dollar amount per seat and as a percentage of total sales. In addition to a breakdown by restaurant category, data is compiled by sales volume, menu theme, geographic region and others. See the "Short Orders" section of the September issue of ***Restaurants USA*** for more information.

Employee turnover rates remain steady in some segments, drop in others

*For the second consecutive year, the National Restaurant Association, in conjunction with the accounting firm of Laventhol & Horwath, has compiled data on employee turnover rates.**

In the survey conducted early this year for the *1987 Restaurant Operations Report*, operators were asked to specify how many W-2 forms their restaurant sent out last year. The number of W-2 forms provides a measure of the total number of individuals who worked at that establishment at some time during 1986. The turnover rate for 1986 is calculated by dividing the total number of W-2s by the average number of employees.

Reflecting the changes made in this year's *Operations Report*, turnover rates are now available by type of operation: full-menu/tableservice, limited-menu/ tableservice, limited-menu/no tableservice and cafeteria.

Not surprisingly, turnover rates were lower at full-menu/tableservice establishments than at limited-menu/ no tableservice (fast food) operations. At 2.1 and 2.7, respectively, these rates were almost unchanged from those reported last year. In contrast, the turnover rate for limited-menu/ tableservice restaurants declined from 3.0 in 1985 to 2.0 in 1986. The lowest rate, however, was recorded by cafeterias—1.9.

The survey yielded some other interesting information as well:

☐ Turnover does not appear to vary between restaurants recording a net profit and those recording a net loss.

☐ Within each category, establishments with the lowest sales volumes have the lowest turnover.

☐ Turnover is generally less when the ratio of part-time to total employees is relatively low. Cafeterias, with the lowest turnover rate, have a part-time to total employment ratio of less than 25 percent, compared with limited-menu/no tableservice restaurants where part-time employees accounted for almost 65 percent of all workers.

Compared with the 1985 data, the percentage of part-time workers (25 to 35 hours) to total employees was lower within each restaurant category. The actual numbers of part-time employees working less than 20 hours were lower as well.

—Laurence Greenberg

1986 employee turnover rates

	Median number of employees	Median number of W-2s	Turnover rate
Full-menu/tableservice	40.0	85.0	2.1
Steak/seafood	40.0	94.5	2.4
Italian	29.0	79.0	2.7
Hamburgers/subs	63.0	80.0	1.3
American	40.0	80.0	2.0
Limited-menu/no tableservice	20.0	53.0	2.7
Hamburgers/subs	17.5	35.0	2.0
Chicken	61.0	127.0	2.1
Mexican	25.0	98.0	3.9
Limited-menu/tableservice	27.0	53.0	2.0
Cafeterias	30.5	58.0	1.9

Median number of full and part-time employees

	Full time	Part time (25 to 35 hrs.)	Part time (less than 20 hrs.)
Full-menu/tableservice	18.0	12.0	4.0
Steak/seafood	18.0	15.0	4.0
Italian	10.0	10.0	4.0
Hamburgers/subs	38.5	1.5	2.0
American	17.0	13.0	5.0
Limited-menu/no tableservice	6.0	9.0	2.0
Hamburgers/subs	6.0	5.5	3.5
Chicken	21.0	25.0	0.0
Mexican	8.0	14.0	0.0
Limited-menu/tableservice	8.0	10.0	4.0
Cafeterias	20.0	4.5	2.0

Source: National Restaurant Association, *1987 Restaurant Industry Operations Survey*

**The employee turnover rate is estimated from respondents providing data on both total employment and W-2s. It is derived by dividing the median number of employees into the median number of W-2s. The rate shown represents an average for the survey respondents.*

Beer consumption: not for men only

According to a National Restaurant Association study of away-from-home beverage consumption, consumer preferences for beer are in a state of flux. Although the total volume of malt beverages consumed away from home in 1986 was up only slightly from 1980, female consumption of beer grew significantly during that period. At the same time, away-from-home consumption of beer by men declined.*

Men have traditionally dominated beer consumption, but this dominance appears to be weakening. Based on data obtained from NFO Research, Inc.'s Share of Intake Panel (SIP), association research reveals that in 1980 males drank more than 86 percent of the beer consumed away from home, but by 1986, the volume of beer consumed by men away from home dropped to 78 percent. The amount consumed by women had increased to 22 percent.

In terms of volume, female consumption of beer away from home jumped a dramatic 62 percent between 1980 and 1986, despite a small decline in the number of women ordering the beverage. In contrast, male consumption of beer dropped 7 percent during the same time period. Overall, total away-from-home consumption of malt beverages on a volume basis was up a slight 2 percent in 1986, compared with 1980; however, this was a significant increase over the low point reached in 1984.

Age factor

Consumers between the ages of 25 and 34 drank almost 30 percent of the beer consumed away from home in 1986. Compared with 1980, consumption of malt beverages by this age group has declined. These individuals accounted for almost 40 percent of the total volume of beer consumed away from home at the beginning of the decade.

Although 25 to 34-year-olds are not drinking as much beer as before, individuals under age 25 have increased their consumption. The majority of this growth can be attributed to increased female consumption.

In terms of volume, beer consumption by 35 to 44-year-olds has remained constant, while those individuals 45 years old or older have increased their consumption slightly.

Regional differences

Consumers living in the North Central region of the country drink the most beer. Between 1980 and 1986, consumption in this region remained fairly constant. Southerners decreased their beer consumption during this time period, and consumers living in the West increased their consumption.

In 1986 the North Central region accounted for 39 percent of the total away-from-home volume of beer consumption, followed by the Northeast at 25 percent, the South at 20 percent and the West at 16 percent.

—Hudson Riehle

Likelihood of ordering various types of beer in a restaurant*

Consumers are more likely to order bottled beer

	Percent who would be likely to order
Beer in a bottle	68%
Draft glass of beer	62
Regular domestic beer	62
Light beer	50
Regular imported beer	47
Draft pitcher of beer	40

**Among those who drink alcoholic beverages away from home*

Source: National Restaurant Association, *Beverage Preferences: A Consumer Attitude Study*, 1987

Away-from-home beer consumption by age group, 1986

Twenty-five to 34-year-olds account for the largest proportion of beer consumption

Age group	**Volume of consumption**
18 to 24	24.7%
25 to 34	29.1
35 to 44	15.5
45 to 54	14.0
55 to 64	5.6
65 and older	11.1
Total	**100.0%**

Source: National Restaurant Association, NFO Share of Intake Panel

Index of away-from-home beer consumption (by volume)

Between 1980 and 1986, women increased their beer consumption substantially

	1980	**1982**	**1984**	**1986**
Total consumption	100	92	76	102
Males	100	87	67	93
Females	100	126	135	162

Source: National Restaurant Association, NFO Share of Intake Panel

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**Away from home refers to fast food restaurants, other types of restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, school, picnics/camping or another person's home.*

1 NEW ENGLAND

Location: Brattleboro, VT
Association members: Robert T. Walker, Jr., Jon Reynolds, David Foliensbee
Operation: Walker's Restaurant
Profile: Fullservice family restaurant
In business: 4 years
Seats: 70
Meals served: Lunch, dinner

"We have plenty of customers, but getting cooks, waiters and dishwashers is our biggest problem," says **Robert T. Walker, Jr.**, owner of Walker's Restaurant. "Where can I find some more help?" he asks.

Walker's is located in southern Vermont about 10 miles north of Massachusetts and just west of the Connecticut River, which separates Vermont and New Hampshire. The area has a low unemployment rate, which, Walker says, has reduced the number of available restaurant workers.

Walker's is now doing its biggest business of the year. "With the fall foliage, lots of people from New York and all over the country come to Vermont to look at the leaves," Walker notes. "We've seen more tourists this year."

Walker's is probably best known for its homemade fries. "I think we're the only place in the area that makes french fries from scratch," Walker says. The restaurant serves primarily hamburgers and sandwiches for lunch and steaks and seafood for dinner. The salad bar is popular at both meals.

2 MID ATLANTIC

Location: Troy, NY
Association member: Jim Casey
Operation: Casey's East
Profile: Casual fullservice restaurant
In business: 19 years
Seats: 102 in dining room, 90 in lounge
Meals served: Lunch, dinner

"It's been outrageously busy," says **Lila McAndrews**, manager of Casey's East. "We're doing increases over last year consistently."

Casey's is located in a shopping plaza just outside downtown Troy, New York. It relies on a loyal clientele. "It's a real friendly place," McAndrews says. "It's comfortable."

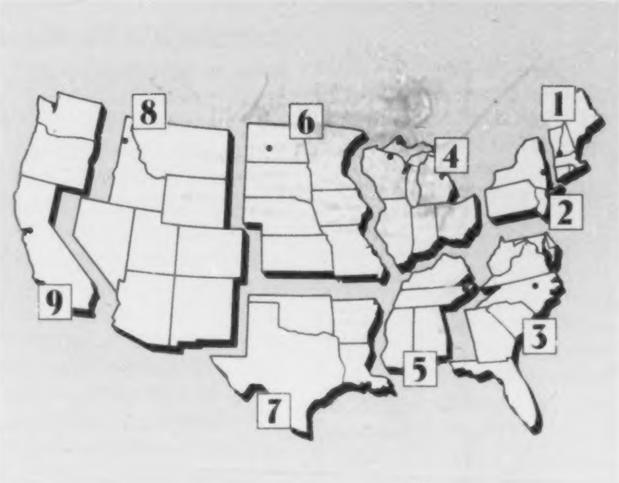
Casey's publike atmosphere attracts many young customers after 9 p.m. who stop by for drinks or a snack, McAndrews says. The kitchen stays open until 12:30 a.m.

The busiest time at Casey's is lunch, when many workers from the city come in for a burger, sandwich or salad from the salad bar. McAndrews says a typical lunch will run about $6.

"Business is pretty steady year-round. In the winter we get a lot of skiers who are returning from trips in Vermont," she says. "After the first snowfall, snow does not affect business unless it is a tremendous storm."

3 SOUTH ATLANTIC

Location: Chapel Hill, NC
Association members: J. Alex Porter, Brian P. Smith
Operation: Colonel Chutney's
Profile: Garden Cafe
In business: 9 years
Seats: 75
Meals served: Dinner



Although it is located in one of the larger college towns in the country, Colonel Chutney's tries to be independent of the fluctuating economy of Chapel Hill, North Carolina. Maintaining a regular clientele helps.

"We try to keep it casual and inexpensive and try to give customers a reason to come here," says **Brian P. Smith**, co-owner.

Foremost among the incentives to get customers to Chutney's is having customer appreciation parties. "We try to pay the customer back for what they put into the place," Smith says.

"Business is as good as it's ever been," Smith says, adding that Chutney's does do a bit more business at this time of year because of the local university. "One thing that helps us during the fall is the home football games," he says. Customers can dine at Chutney's from 5:30 p.m. to 1:00 a.m. Most items on the menu cost less than $10.

4 EAST NORTH CENTRAL

Location: Minocqua, WI
Association member: Denise E. Pitzo
Operation: Polecat and Lace
Profile: Fullservice family restaurant
In business: 9 years
Seats: 120
Meals served: Lunch, dinner

"It has been a very good spring, summer and fall for us," says **Denise E. Pitzo**, owner of the Polecat and Lace. "We depend a lot on our winters. Last year it was mild, and we were hurt." The Polecat is located in Minocqua, Wisconsin, a town that relies heavily on tourism, particularly for skiing.

"Tourism is our means of support. We don't have a lot of industry," Pitzo says. "Our summers are our best time of year. We have to turn people away in the summertime, but in the winter we wish we had a few more guests."

The Polecat has a pub-like atmosphere. Nearly the entire interior is made of brass and oak.

Lunch business is strong, and a large portion is carry-out. "A lot of the business-people here work in their own business, so they can't leave work for a long lunch. They just call us, pick up their order and leave."

5 EAST SOUTH CENTRAL

Location: Kingsport, TN
Association members: Calvin Wright, Mary Ann Wright
Operation: Wrights

Country Cuisine
Profile: Cafeteria
In business: 1½ years
Seats: 250 in dining room, 125 in banquet rooms
Meals served: Lunch, dinner

The addition of banquet rooms to Wrights Country Cuisine in Kingsport, Tennessee, are the main reason business has picked up at the 18-month-old restaurant, according to co-owner **Calvin Wright**. The banquet rooms attract many church and civic groups to the cafeteria-style service.

The four banquet rooms can hold 125 people, increasing the restaurant's capacity from 250 to 375. Many of the people that first visit Wrights as members of groups often return by themselves or with their families.

Wrights Country Cuisine tries to offer customers a variety of foods. There are usually seven meats and 10 vegetables offered each day. The most popular dishes are fried catfish fingerlinks and broiled cod.

6 WEST NORTH CENTRAL

Location: Mandan, ND
Association member: Robert R. Clifford
Operation: Gourmet House
Profile: Fullservice restaurant
In business: 29 years
Seats: 135 in dining room, 130 in lounge
Meals served: Lunch, dinner

"I believe business is coming back," says **Robert R. Clifford**, owner of Gourmet House. "We had a couple of years where it was down, but the last eight or nine months things have been on an upswing."

The Gourmet House is located in Mandan, North Dakota, an area that has suffered economically because many workers were left without jobs two years ago when construction on a coal gasification plant was completed.

Business had dropped off so much that Clifford began using promotions to draw people into his restaurant. He says the most successful has been the "Dollar Burger," which is offered from 10 p.m. to midnight to increase bar tabs and late-night crowds.

The Gourmet House sits just three blocks from the Missouri River and has a museumlike atmosphere. There are five antique cars and about 70 original oil paintings spread throughout the restaurant.

7 WEST SOUTH CENTRAL

Location: Morgan City, LA
Association member: Pat Cutrone
Operation: On the Waterfront
Profile: Luncheonette
In business: 1 year
Seats: 35
Meals served: Lunch

"I've been open about a year and am doing very well," says **Pat Cutrone**, owner of On the Waterfront. She defied the odds by opening her luncheonette during an economic crunch.

The restaurant, which resembles a New Orleans cafe, is located in Morgan City, Louisiana, a town of less than 10,000. The town's economy relied heavily on the oil industry, and when the oil companies hit hard times about a year ago, so did Morgan City.

Cutrone did not let that affect her decision to become a restaurateur, however. "I never even thought of not staying afloat," she says. "I have an optimistic attitude. If you believe in something and do it, it's not going to work. But if you think, 'Times are bad; I'm going to lose this one,' you're going to lose."

While On the Waterfront only serves lunch and seats just 30 now, Cutrone looks forward to serving dinner and expanding to 75 seats.

The menu is varied. It includes popular Italian dishes such as spaghetti and Creole specialties. Hot submarine sandwiches also do well, Cutrone says. Most lunch checks are under $5.

8 MOUNTAIN

Location: Lewiston, ID
Association member: Ray Mabry
Operation: Waffles 'N More
Profile: Fullservice breakfast restaurant
In business: 5 years
Seats: 60
Meals served: Breakfast, lunch

"Business is excellent. It's always busy here," says **Bob Jessup**, manager of Waffles 'N More. "We don't have a day where people aren't waiting to get in."

The Waffles 'N More restaurant in Lewiston, Idaho, is part of a three-store chain owned by Ray Mabry. The other two restaurants are in Washington state, which is just across the Snake River from Lewiston.

"Our Belgian waffles are our specialty. We have a special recipe for our batter," Jessup says. The restaurant offers 27 different varieties. Next to the waffles, omelets, cold sandwiches and hamburgers sell best.

Lewiston's isolation forces Waffles 'N More to rely on repeat customers. Most customers come in for early morning breakfasts, which run from $3.50 to $5.00, but everything on the menu is available anytime. The restaurant is open from 5:30 a.m. to 2:30 p.m.

9 PACIFIC

Location: Oakland, CA
Association members: Robert Helm, Anita Helm
Operation: Pier 29
Profile: Upscale fullservice restaurant
In business: 17 years
Seats: 90 in dining room, 40 on patio
Meals served: Lunch, dinner

"Business is going OK," says **Anita Helm**, co-owner of the secluded Pier 29 restaurant in Oakland, California. "It's a popular place; the people that come here are like family. We are not a tourist attraction."

Pier 29 sits on the Oakland Estuary and has a decor that reflects its waterside location. The tables are doors from old boats; a mock submarine hangs from the ceiling in one room; various marine artifacts can be found throughout the restaurant.

Customers can look out the windows and watch the Park Street drawbridge in operation while eating. "Everyone likes that," Helm says.

Pier 29 is about 2 miles from most other restaurants in the area. Nearly all diners live in the bay area. Many come for the teriyaki steak. "That's the big seller," Helm says. "It must be something about the way it's marinated because it is an unbelievable seller."

In addition to steaks, scallops, lobster and crab legs are also popular dinners, Helm says.

—Tom McKeon

Dough to go

Add another item to the growing list of foods that can be purchased at drive-thrus. S. Kinder Restaurant have just opened a 65-seat bakery, restaurant and drive-thru in New Haven, Connecticut, that the owners are calling "the first bagel drive-thru anywhere."

The enthusiastic owners, Murray and Marvin Lender, are not novices to the bagel business. Their family, who formerly owned Lender's Frozen Bagels, began selling the crusty, doughnut-shaped rolls in 1927. S. Kinder's opening, however, marks the Lenders' first return to the New Haven retail scene since the family bakery was moved to West Haven, Connecticut, more than 20 years ago.

The new venture permits customers to order special takeout menu items and bakery products—including 17 varieties of fresh bagels—from their cars. S. Kinder, which in Yiddish/German patois is an expression traditionally used to call the young "to eat," has restaurants in Orange and Hamden, Connecticut, and plans to open eight more units in 1988.

—Chain Restaurants Today

An American chef for the White House

The White House kitchen is going American. After a two-month search, Jon Hill, a native of Spokane, Washington, has been hired as the White House's next executive chef. He becomes the first American chef to lead the White House staff since before the Kennedy administration.

The 33-year-old Hill, who most recently served as the executive chef at the Westin Cypress Creek in Ft. Lauderdale, Florida, took over on October 1. His predecessor at the White House kitchen, Swiss-born Henry Haller, spent more than two decades on the job, serving under the last five presidents.

The White House's new executive chef graduated from the Greenbrier Culinary Apprentice Program in West Virginia, where he specialized in sauces and cold exhibits. He was sous chef at the Mauna Kea Beach Hotel in Hawaii for about five years, then worked at the Arizona Biltmore, another Westin Hotel, before he left to open the Westin Cypress Creek.

Hill is considered an enthusiastic professional with exceptional, comprehensive skills, especially in decorative work. His appointment has been joyfully received by American chefs. "I thought it was a fantastic choice to have an American again," says Albert Schnarwyler, chef of the Homestead, a resort near the Greenbrier.

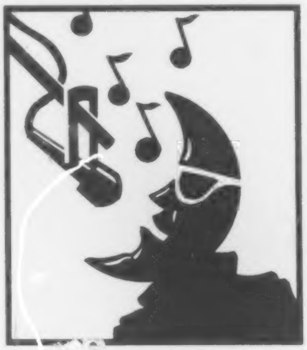
—The Washington Post

Too much of a hit?

It looks like the McDonald's crescent moon crooner, Mac Tonight, may have sung himself out of a job. Reaction to the sunglass-wearing pitchman, who sings rewritten lyrics to the tune of Bobby Darin's 1959 hit *Mac the Knife*, was "phenomenal," says McDonald's spokeswoman Terri Capatosto. As many as 1,500 people showed up to meet Mac when he appeared at Chicago-area McDonald's restaurants.

The ads, aired nationally from late August to early October, were among the most popular on TV. Dave Vadehra, president of Video Storyboard Tests, Inc., which polls viewers on their favorite ads, says the Mac Tonight ads will claim first or second place in his third-quarter rankings. Nonetheless, McDonald's might not bring Mac back, says Capatosto.

Why not? "He distracted you from the idea they tried to persuade you about—buying dinner there," says Joe Smith, president of Oxtoby-Smith Inc., a New York marketing firm.



"Mac is a clever idea, but the technique overwhelmed the message," says Jack Trout of Trout and Ries Inc., a marketing strategy firm. "It was pretty thin on motivation to actually get you into a McDonald's."

—USA TODAY

Colonial grog and vittles hit Manhattan

To celebrate the 200th birthday of the American Constitution, the Manhattan Brewing Company, a full-service brewery located in the Soho section of New York City, recently gave its customers a taste of Olde America. At 6 p.m. on September 17—the Constitution's official birthday—the brewery introduced a special "Colonial Cuisine" menu and tapped the first keg of "George Washington Beer."

The Founding Fathers menu, which featured culinary creations by important figures in Colonial American history, was quite a success, says manager Nick Chard. Included on the symbolically priced $17.87 menu was Mary Washington's *Chicken in Oyster Sauce*, Noah Webster's *New England Clam Chowder*, George Washington's *Lamb Casserole* and Martha Washington's *Most Delicious Ale Fritters*.

Unfortunately, however, the recipe for "George Washington Beer" did not stand the test of time as well as did the Constitution itself. The beer, adapted by brewmaster Mark Witty from an original recipe found in Washington's *An Account Book of a Virginia General*, proved a bit too authentic for today's American tastes.

—Restaurants USA
interview

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Restaurants in Transition

'88 Forecast previews changing marketplace

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SEMINARS

Basic Foodservice Courses

Dining Room Management

1/25	Washington, DC
1/27	Dallas, TX
2/9	Chicago, IL
2/23	San Francisco, CA
2/24	Anaheim, CA

Increasing Sales: Effective Front-of-the-House Management

1/28	Oklahoma City, OK
2/25	San Diego, CA

Kitchen Management

1/21	Oakland, CA
1/22	San Diego, CA
2/8	Seattle, WA
2/22	Wilmington, DE

Employee Motivation

2/22	Vancouver, B.C.
2/24	Calgary, Alberta
2/26	Winnipeg, Manitoba

Food Production Courses

Perfecting Your Culinary Skills

2/10	Cleveland, OH

Foodservice Management Courses

Beverage Management

2/10–11	San Diego, CA
2/24–25	Charlotte, NC

Food Cost Management

2/2	Jacksonville, FL
2/3	Tampa, FL

Foodservice Computer Spreadsheets

1/20	Washington, DC

Hiring in a Tight Labor Market

1/20	New York, NY
1/21	Philadelphia, PA

Menus That Sell!

1/27	Ventura, CA
1/28	Newport Beach, CA

Off-Premises Catering

1/20–21	New Orleans, LA
2/17–18	New York, NY

Planning Successful Buffets

1/25	Chicago, IL
2/8	Detroit, MI

Profitability

1/20	Toronto, Ontario
1/22	Halifax, Nova Scotia
2/3	Los Angeles, CA
2/4	Anaheim, CA

Do-It-Yourself Public Relations

2/24	Portland, OR
2/25	Seattle, WA

Real Estate and Restaurant Site Selection

1/25–26	San Francisco, CA

Restaurant Design

2/22–23	Louisville, KY

Server Selling Skills Training

1/27	Austin, TX

Wine Server Training

2/9	Philadelphia, PA
2/11	Washington, DC

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If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the Washington, DC office.

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Independent Foodservice Operators' National Conference
3/27–29 Los Angeles, CA

Independent Foodservice Operators' National Conference
1/24–26 Miami, FL

National Conference on Computers in Foodservice
3/8–11 Orlando, FL

EXECUTIVE STUDY GROUP SERIES

Financial Officers
4/6–8 New Orleans, LA

Foodservice Purchasing Managers
5/18–20 Chicago, IL

Internal Auditors
4/26–29 Charleston, SC

Labor Relations
1/15–15 Orlando, FL

Large Independent Operators
3/18–20 Monterey, CA

Management Information Systems (MIS—formerly EDP)
4/12–17 Scottsdale, AZ

Marketing Executives
5/18–21 Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)
5/18–20 Chicago, IL

Quality Assurance
4/20–22 San Diego, CA

Safety Officers
1/13–15 Orlando, FL

Tax Executives
4/6–8 New Orleans, LA

For more information on specific study groups, contact:
Philip Kralovec,
(312) 853-2525.

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RESTAURANTSUSA

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY

Industry forecast features growth

The National Restaurant Association's forecast for the foodservice industry in 1988 is included in this issue of *Restaurants USA*. The news is good—in fact, it is recordbreaking. For the first time in history, foodservice industry sales are projected to exceed $200 billion. This marks the industry's eighth consecutive year of real growth.

Of course, foodservice industry growth does not occur in a vacuum. In today's volatile financial climate, the state of the national economy must be taken into consideration if we are to understand how foodservice will perform in 1988. I refer, of course, to the stock market decline of October 19 and the concerns that unstable or steadily falling stock prices could lead to a recession next year.

Economy remains sound

I do not believe that this will occur with respect to foodservice industry sales. The Conference Board, a major business and consumer survey organization, has reported that its poll, taken immediately after October 19, indicates consumer confidence in the overall economy dipped only slightly as a result of the stock market crash. General economic indicators remain strong. Unemployment is at its lowest in seven years, and major corporations, with only a few exceptions, are reporting quality earnings. Furthermore, there is talk that the federal reserve may lower its discount rate, and banks have lowered their prime rate in recent weeks. And in 1988, barring unforeseen legislative changes, the effects of the 1986 tax reform act will be felt, which will mean lower tax rates for many individuals and companies.

When viewed together, all of these factors indicate the underlying strength of the economy remains sound. That is why we are predicting real foodservice industry sales growth for 1988 of 2.9 percent—to $213.5 billion.

Talk about your success

Let me add that there is something to be said for a self-fulfilling prophecy. If we all work together, we can help further industry sales growth by constantly promoting the fact that sales are growing and that business is good. As opportunities arise for you in conversations with customers, colleagues and other business leaders, I ask you to join me in emphasizing the continued growth of our industry. It is in our mutual best interest to influence public perception.

INFO 88 is fast approaching

It's not too late to register for INFO 88, January 24-26, 1988, at Miami's Fontainebleau Hilton. This is the only national industry conference geared exclusively toward the independent operator. Attendees in past years have come away with a multitude of ideas on how to build their businesses as well as invaluable contacts. Contact the association's Educational Foundation at (800) 424-5156 to register.

Dates set for Monterey Wine Festival Vintage '88

And it's not too early to make plans to join us in beautiful Monterey, California, for the Monterey Wine Festival Vintage '88, March 20-22, 1988. Renowned as the biggest, best and oldest wine festival of its kind in the country, the Monterey Wine Festival is a harvest not to be missed. Now under its second year of National Restaurant Association sponsorship, the festival is filled with ideas for operators who recognize the profitability of wine service and who want to learn wine merchandising techniques. Watch your mailbox and upcoming issues of *Restaurants USA* for more information about the Monterey Wine Festival or contact festival headquarters at (312) 853-2525.

It is my pleasure to welcome new members who joined the National Restaurant Association in November. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

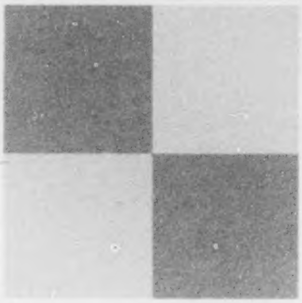
Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: 1988 FORECAST

21

As the foodservice industry matures, operators are on the lookout for new avenues for growth. The 1988 forecast, with a detailed analysis of consumer, demographic, regional and economic trends, presents ideas to help restaurateurs adapt to the changing marketplace.



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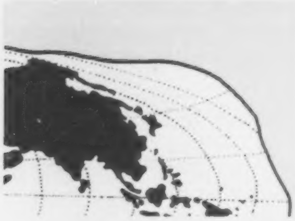
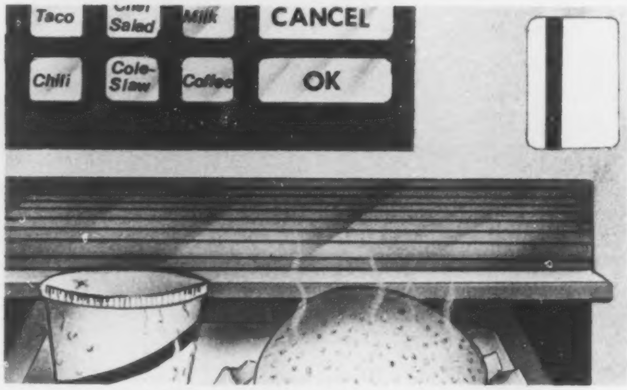


9 **Regional ethnic food**
Responding to consumers' increasingly adventurous palates, restaurateurs are creating sophisticated ethnic dishes with distinct regional flavors, such as entrees from Alsace, Tuscany and Galicia.

11 **Fast food—no cash**
The "cashless" society is becoming a reality in the fast food segment as operators experiment with automated teller machines and credit cards.



14 **Hotel food: a bigger part of marketing**
Hotel food and beverage service is no longer just an in-house amenity. It has become a profit center.

18 **Home delivery services for independent tableservice restaurants**
Capitalizing on the booming takeout market, new businesses are springing up to provide customers with food from a number of "client" restaurants.

DEPARTMENTS

6 **Short Orders**
☐ Lowfat menus get another boost
☐ Educational Foundation announces memorial fund
☐ 1988 American Seafood Challenge in March
☐ February is meat month
☐ Electric utilities offer money-saving videocassette

7 **Washington Report**
☐ A roundup of legislative and regulatory issues facing the industry

45 **How's Business**
☐ Operators discuss regional trends

47 **Food For Thought**
☐ Artichokes in the clouds
☐ Calling all cars
☐ Frozen meals on wheels
☐ A project of hope

SHORTORDERS

Educational Foundation announces fund in memory of McGuire

The Board of Trustees of the Educational Foundation of the National Restaurant Association has announced the establishment of an educational fund in memory of James T. McGuire, late trustee of the Educational Foundation and past president and chief executive officer of the Canteen Company, a division of TW Services, Inc.

The memorial fund has been established as a permanent fund, with interest from the fund to be used for supporting educational services and fostering education and training in the foodservice industry.

McGuire, who died at age 69 on October 29, served on the Educational Foundation's Board of Trustees for several years.

He began his business career with Canteen in 1940, interrupting it for military service in World War II. McGuire rose through the ranks of Canteen, being elected president and chief executive officer in 1981. From 1984 until his death, he was vice chairman of the company.

James T. McGuire

Those wishing to contribute to the fund should make checks payable to The Educational Foundation of the National Restaurant Association, 20 N. Wacker Drive, Suite 2620, Chicago, Illinois, 60606. Please designate contributions for the James T. McGuire Memorial Fund. Contributions are tax deductible.

1988 American Seafood Challenge

The nation's most outstanding professional seafood chefs will gather in Charleston, South Carolina, March 2-5, 1988, for a toque-to-toque cook-off to determine "America's Best Seafood Chef" in the second annual American Seafood Challenge. Cosponsored by the U.S. Seafood Industry, the

February is meat month

The American Meat Institute (AMI) has designated February as National Meat Month. For restaurateurs who want to take this opportunity to promote meat dishes, the AMI has created a meat merchandising kit which contains details on how to increase sales of beef, pork, lamb, veal and processed meats. For more information, contact: American Meat Institute, P.O. Box 3556, Washington, DC 20007, (703) 841-2400.

Lowfat menus are getting another public boost

The National Cholesterol Education Campaign (NCEP) unveiled newly developed guidelines for the identification and treatment of people with high blood cholesterol levels. Sponsored by the National Institutes of Health, the federal panel that developed the guidelines was made up of prominent physicians and health professionals. They recommended all adults be tested for high blood cholesterol at least every five years. Those with elevated levels (over 200 mg/dl) should be treated, initially, with dietary intervention and, if necessary, further with drugs.

Panel members maintain that if physicians follow their guidelines when treating patients, the number of people developing heart disease, currently the leading cause of death, will be substantially reduced.

Because an estimated 25 percent of adults are candidates for dietary intervention, more and more of the dining public will be looking for lower-fat menu choices.

The following are the panel's recommendations for foods that can be safely eaten away from home: "Order entrees, potatoes, and vegetables without sauces or butter. When meat exceeds the size of a deck of card (3 to 4 ounces), the rest can be taken home for another meal. Choose vegetable or fruit salads, and ask for salad dressing to be served on the side; use dressing sparingly. Limit high-fat toppings, such as bacon, crumbled eggs, cheese, sunflower seeds and olives—the latter two because they may be high in fat and salt. Ask for margarine instead of butter, and limit amounts of margarine used on bread and baked potatoes."

Electric utilities offer moneysaving video

The Electrification Council (TEC) has released a 12-minute video that provides restaurateurs with dozens of money-saving and profit-building ideas. The video, called "Pennies for Profit," provides an overview of several new and improved electric technologies that can increase restaurant profits.

Produced by TEC specifically for the foodservice industry, the video shows how the new generation of food preparation equipment can cut labor and material costs. Restaurateurs interested in seeing the video should contact their electric utility's foodservice consultant.

TEC is a nonprofit organization devoted to education and training in the efficient use of electrical energy.

American Culinary Federation, the Greater South Carolina Chefs' Association and the Charleston Restaurant Association, the event is expected to draw winners from 30 to 40 statewide competitions now underway.

The American Seafood Challenge had its roots in a challenge that Governor Graham of Florida made to Governor Robb of Virginia in 1984. Graham was so enthusiastic about the quality of Florida's seafood and its preparation by chefs at Florida's best seafood restaurants, that he challenged Robb to prepare a better fish chowder than Florida's best. This two-state rivalry grew into a regional competition and then became national as the American Seafood Challenge.

The 1988 American Seafood Challenge will be held again at historic Charles Towne landing, where a fully equipped 10-station hot food kitchen will be designed and installed. Planning and executing the activities is the Charleston Restaurant Association and the South Carolina Wildlife & Marine Resources Department's Seafood Marketing Section.

The competition is sanctioned by the American Culinary Federation which provides professional direction, rules and judges for the event. Participants in the competition are also eligible to win American Culinary Federation medals.

A $2,500 cash prize goes to the winner along with the American Seafood Challenge trophy.

For more information, contact: Clare G. Vanderbeek, National Fisheries Institute, 2000 M St., N.W., Suite 580, Washington, DC 20036; (202) 296-3428.

1987 legislative, regulatory wrapup

1987 may go down in congressional history as the year of labor bills. With Democrats in power in both houses of Congress for the first time in six years, the 1987 labor agenda captured the nation's attention from the time the 100th Congress opened its doors in January.

Issues which had been pushed to the back burner during the Republican's 1980-1986 Senate tenure—minimum wage, plant closings and polygraph, among others—moved to the front burner this year.

Budget deficit fuels the fire

Huge federal budget deficits have exacerbated the situation, steering a Congress intent on finding solutions to social problems toward programs whose costs could be picked up by the private, rather than the public, sector. Minimum health care legislation, mandatory parental/medical leave bills and occupational risk notification are several examples of this trend.

Deficit problems are also forcing Congress to consider more and more belt-tightening measures. Of chief concern to the foodservice industry is a provision in the FY 1988 budget bill that would force restaurateurs to pay Social Security (FICA) taxes on all reported tips, a move that the administration says will bring an extra $200 million into the nation's coffers each year. As this *Restaurants USA* went to press, the FICA issue was still tied up in ongoing budget negotiations.

National Restaurant Association President Michael Grisanti testified against the FICA-on-tips proposal at a March House Ways and Means Committee hearing.

Employer lobbying checks Democratic progress

The National Restaurant Association, along with other employer groups, has doubled its efforts to convince Congress that unchecked federal interference in the private sector could cripple U.S. businesses. This aggressive business lobbying has helped to slow Democratic progress in pushing labor proposals through Congress.

While Congress appears to be giving lengthier consideration to pending labor legislation, the real test will come during the 100th Congress's second session, in 1988, when the proposals that have slowly been advancing through hearing and "markup" stages find their way to the House and Senate floors. At this time, grassroots lobbying by restaurateurs will be critical.

Status of pending issues

Polygraph ban. On November 4, the House voted 254-158 to prohibit most private employers from requiring job applicants or employees to take lie detector tests. Under the bill, employers could face fines of up to $10,000 for violating the ban. Fines of $100 a day could also be levied against employers who failed to post notices explaining the ban.

The Senate has not yet taken up polygraph legislation. Chances for Senate passage, however, look more favorable than in the past because Democrats now control that chamber.

Occupational risk notification. In mid-October the House passed legislation creating a new federal bureaucracy to monitor and notify U.S. employees of work-related health risks. Employers would be required to pay for medical monitoring of notified employees and, if necessary, transfer the employee from a high to a low-risk setting.

Senate Democrats have put occupational risk notification legislation on their "wish list" for 1987.

Advance notice requirements for plant closings. The trade bill approved by the full Senate in July contained a provision requiring businesses to give up to 60 days advance notice to employees in the event of shutdowns or mass layoffs. The provision, although aimed primarily at the manufacturing industry, covers all employers with more than 100 full-time workers.

Because House-Senate conferees had postponed consideration of the trade bill until budget negotiations were complete, the fate of the advance notice requirements is uncertain. Although the House trade bill did not address plant closings, House members seemed to favor the provision—earlier in the year, the House labor panel had approved even more stringent notice requirements.

FICA on tips. Bowing to political pressure to raise money, House tax writers voted in October to include in their FY 1988 budget bill a requirement that employers pay Social Security taxes on all reported tips. The Senate tax committee, however, did not include the FICA-on-tips proposal in its budget bill.

The fate of the issue hung in delicate balance as this magazine went to press. House, Senate and administration representatives sought to reach a compromise that raised enough revenue to stem worries about the federal deficit.

Minimum wage. H.R. 1834 and S. 837, introduced in March, would raise the minimum wage to $4.65 over three years. Beginning in 1991, the wage would be adjusted annually to keep it equal to 50 percent of the average hourly rate earned by private, nonsupervisory workers.

Proponents of an increase argue that the wage, which has stood at $3.35 an hour since 1981, can no longer adequately support even a family of two. Opponents argue that minimum-wage increases displace marginally attached workers and deny them the opportunity to get the experience a minimum-wage job affords.

The association testified twice this year against minimum-wage increases before congressional subcommittees. Observers predict that the issue will come up for floor votes in early 1988.

Minimum health benefits. Citing the fact that 70 percent of all uninsured Americans either work or are dependents of workers, Sen. Edward Kennedy (D-MA) introduced legislation requiring all employers to provide comprehensive health care benefits for workers and their dependents. The bill, S. 1265, was scheduled for "markup" by the Senate Labor and Human Resources Committee in early December. Sen. Kennedy had held only two hearings on the bill which would require employers to pay 100 percent of health care premiums for any worker earning less than $4.19 per hour.

H.R. 2508, companion House legislation, was introduced in May but has not yet been taken up by committee.

Mandatory parental/medical leave. House Education & Labor Committee members approved a watered-down version of H.R. 925 during a November 17 markup session. The House bill requires employers to grant workers 10 weeks of parental leave every two years and 15 weeks of medical leave annually, with reinstatement to the same or a similar job upon return. The legislation applies to businesses with more than 50 workers; after three years, this number would drop to 35.

Testimony offered by the association earlier this year on S. 249, companion Senate legislation, underscored the association's opposition to any kind of mandated benefits proposal. These proposals, the association argued, are drastic and irreversible steps into an area where the federal government has not proceeded in the past.

In the Senate, S. 249 is still being considered at the subcommittee level.

A review of other activity in 1987

Immigration policy. I-9 forms became a familiar sight in restaurants when the new immigration law went into effect in June. For the first time in U.S. history, employers are required to verify that all workers hired since November 6, 1986, are authorized to work in the United States.

In October, the Immigration and Naturalization Service levied its first fines against employers accused of knowingly hiring illegal aliens. The Service has announced it will begin randomly auditing employers to verify compliance with the new law, concentrating on employers in industries with a history of hiring illegal aliens.

INS has visited 250,000 employers to explain the hiring/recordkeeping requirements of the new law, and it plans to conduct a million such visits by June 1988.

Continued health care coverage. In June, IRS released regulations implementing "COBRA," the new law requiring employers to offer health care coverage at group rates to certain former employees, their spouses and their dependents.

The stringent IRS regulations generated more than 1,000 comments from employers decrying COBRA's complexity and harsh penalties. The National Restaurant Association submitted comments on the proposal, and it is now monitoring and encouraging congressional attempts to "fix" certain aspects of COBRA.

Hazard communication standard. In September, the Occupational Safety & Health Administration (OSHA) published a proposed rule bringing all employers under the purview of the Hazard Communication Standard (HCS) by May 23, 1988.

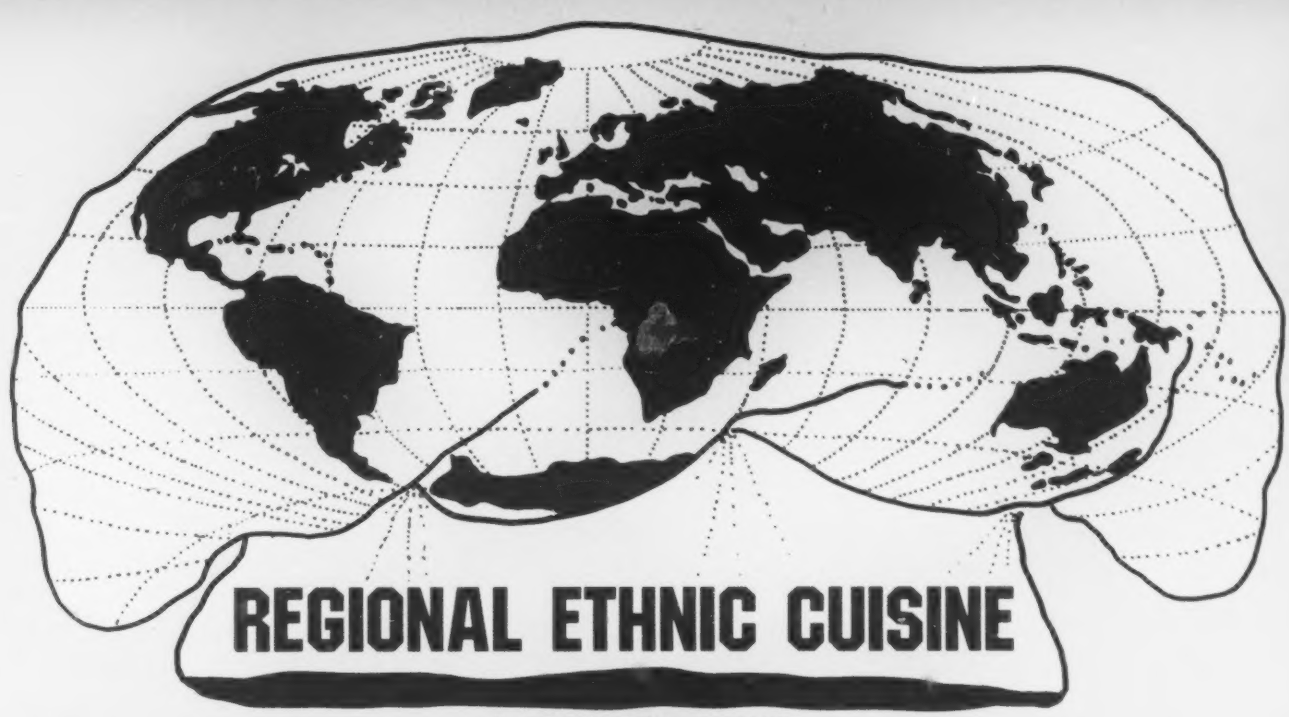
HCS requires employers to maintain lists of hazardous chemicals in the workplace and develop an information and training program to convey to all employees specific hazards, protective measures and emergency procedures. In restaurants, "hazardous chemicals" could include such products as pesticides, detergents and sanitizers.

The association has submitted lengthy comments to OSHA asking to be categorically exempted from HCS's coverage.

Drinking age. In a case brought by South Dakota and eight other states, the Supreme Court ruled in June that Congress could legally withhold federal highway dollars from states that refused to raise their drinking ages to 18.

Check holds. This summer Congress cleared legislation to end the so-called "float game" played by banks, requiring banks to make funds from local checks available within one business day and from nonlocal checks within five days. The requirement goes into effect in three years.

—Denise Roach



REGIONAL ETHNIC CUISINE

by Claire Regan, R.D.

Treat your patrons to an adventure in travel that goes beyond the capitals of Paris, Rome, Madrid and Beijing into the outlying regions of Alsace, Tuscany, Galicia and Fakien. How? By expanding your ethnic cuisine offerings from classical dishes to regional specialties. Traditional dishes, such as coq au vin, lasagna, gazpacho, and sweet and sour pork are giving way to local favorites like cassoulet, *quaglie con fagioli al fiasco* (quail with warm bean salad), *changurro* (crabmeat sauteed with sherry and brandy) and stir-fried fresh squid.

The regional cuisines have always been there, of course. It's the consumer who has changed. Americans are becoming increasingly sophisticated, and their awareness is growing. Itinerant tendencies seem to be contributing to the shift. "My patrons request specific regional dishes that they discovered while traveling in Italy," explains Rene Guzman, owner of Bosco's Ristorante Italiano (96 seats, Atlanta), who employs a chef from southern Italy. Ramon San Martin, chef-owner of Cafe San Martin (75 seats, New York), agrees. "Spanish paella has been popular in America for years, but Americans are beginning to realize there are regional variations of the dish." San Martin now features four to five different types of paella in his Spanish cafe that features Basque specialties.

Others argue that Americans simply know more about food in general and are less reluctant to try new flavors and unfamiliar ingredients. A spokesperson from Food and Wines from France, an association that promotes French cuisine, speculates that the emergence of American regional cuisine is partially responsible for our receptivity to regional foreign food. "I think the regionalization of American cooking has made people realize it exists in other countries as well," she explains. Certainly the trend has been evident in Italian restaurants that have shifted from a national emphasis to a northern and southern distinction and finally to regional foods and cooking styles. Typical of the new focus is Il Cantinori, a 100-seat restaurant in Manhattan. To chef and co-owner Pino Luongo, who has a background in literature and philosophy, presenting food from his native Tuscany is almost a matter of pride. "I think it's important to understand a region, its dialect and its values. Classical Italian cooking neglects the most important ingredient, the regionalism, which is necessary to preserve the character and integrity of the dish," he explains.

Immigrants present "authentic" dishes

Luongo believes his native Tuscan cuisine has universal appeal because of its simplicity in flavor and taste. "A variety of seasonal ingredients is the basis of Tuscan food. Lamb, artichokes and asparagus are signs of spring. The summer brings seafood simply broiled with sage, rosemary and thyme or poached in wine with olives and capers. Grilled game, soups and stews are characteristic of the fall and winter."

Are customers receptive to the shift? Yes, says Florence Lin, a 25-year veteran cooking instructor at the China Institute in New York. Lin has noticed an increase in attendance at her regional cooking classes over the past few years. "The interest is picking up," Lin reports. "My classes at the institute were small at first, but attendance is growing, as is the interest in the specialty dishes of the regions." Ramon San Martin agrees. "When I started my cafe 10 years ago, people had never heard about the Basque menu items," he recalls.

Food and Wines from France has been promoting regional French cuisine in various hotels around the United States. Their spokesperson explains the success of their promotions. "People don't always want a fussy, beautiful plate, which is probably why French country food is so popular. It's food that is heartier and more simple than the familiar classical French cooking. Foods from the Alsace region require long, slow cooking. *Choucroute Garnie a l'Alsacienne* is an earthy peasant dish of pork, sausages and sauerkraut. It is

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Claire Regan, R.D. is research manager/nutritionist for the National Restaurant Association.

MERLUZA A LA VASCA

Serves 4

Ingredients:

4 fish steaks, such as hake or fresh cod, about 1 inch thick
Salt
Freshly ground pepper
Flour for dusting
4 Tbsp. olive oil
1 Tbsp. lemon juice
4 cloves garlic, minced
3 Tbsp. minced onion
2 Tbsp. flour
¾ cup white wine
¾ cup fish broth
6 Tbsp. minced parsley
¾ cup peas, fresh or frozen
1 dozen small clams
1 dozen small mussels
1 hard-boiled egg, finely chopped

Method:

Sprinkle fish with salt and pepper; dust with flour. Heat 2 tablespoons of oil in a large skillet. Fry steaks briefly—about 1 minute per side.

Transfer them to 4 individual ovenproof dishes. Sprinkle them with lemon juice.

Wipe out skillet. Heat 2 tablespoons of oil and saute garlic and onion until onion is wilted. Stir in 2 tablespoons of flour and gradually pour in wine and broth. Stir until the sauce is thickened and smooth. Add 5 tablespoons of parsley, the peas, salt and pepper.

Pour equal amounts of sauce over each steak and decorate each dish with 3 clams and 3 mussels. Place dishes in a 350° oven and bake about 20 minutes or until fish flakes and the shellfish have opened. Sprinkle on remaining tablespoon of parsley and the hard-boiled egg. Boiled potatoes may be added if desired.

—Cafe San Martin

CHOUCROUTE GARNIE A L'ALSACIENNE (Alsatian Choucroute)

Serves 6

Ingredients:

⅔ cup lard
2 onions, chopped
2 cups Sylvaner or Riesling wine
1 cup water
2 smoked ham hocks
2½ lbs. salt pork or 1/2 smoked pork shoulder
12 oz. smoked bacon in one piece
12 oz. salt bacon in one piece
4½ lbs. raw sauerkraut
Salt & pepper
3 cloves
6 juniper berries
1 bay leaf
3 cloves garlic
6 frankfurters (kosher or Strasbourg sausage)
3 smoked sausages or Colmar sausage
6 slices pork liver
8 oz. bratwurst
1 ring blood sausage

Method:

Wash or soak meats before cooking. Preheat oven to 350°. In a heatproof roasting pan, melt half the lard and add onions. Saute until wilted, then add wine and water.

Add ham hocks, salt pork or smoked shoulder, smoked bacon and salt bacon. Place sauerkraut on top of these meats. Salt very lightly and sprinkle with black pepper.

Tie cloves, juniper berries, bay leaf and garlic in a piece of cheesecloth. Add spice bag to pan.

Cover and cook in a moderate oven for 1 hour, 30 minutes.

In a saucepan, in simmering water, separately parboil frankfurters, smoked sausages and liver slices each for about 10 minutes.

Melt remaining lard in a skillet and brown bratwurst and blood sausage. Cut blood sausage into 6 pieces.

When sauerkraut is cooked, taste for seasoning. Remove cheesecloth bag.

Place sauerkraut in a large, hot bowl or deep platter. Arrange various meats and sausages over sauerkraut. Serve liver in a separate dish.

—Omni Hotels

French comfort food that people don't have time to cook."

American chefs are enthusiastic

Joyce Goldstein, chef-owner of Square One (125 seats, San Francisco), has been a leader in the focus on regional specialties. She has featured representative regional dishes from Italy, France, Africa and the Iberian Peninsula every Wednesday for the past three years. She reports the Italian and Spanish and Portuguese have been the most popular selections.

"It takes the patrons traveling and keeps them coming back to the restaurant," Goldstein says matter-of-factly. "People accept food for its taste," she points out. "If it tastes good, they like it, and they aren't intimidated by an unfamiliar dish or ingredient."

Plus, Goldstein adds, regional ethnic cooking seems to be as popular with chefs as it is with patrons. "It excites the staff, which keeps them interested in their work and helps to reduce turnover," she explains. Goldstein, a former cooking teacher, says she finds "the in-depth study of a region fascinating."

Some chefs are overwhelming in their support of regional ethnic preparation, while others guard their enthusiasm. Rene Guzman of Bosco's believes it is a new trend that can provide a competitive edge. "I would definitely recommend ethnic restaurants offer regional specialties. Because there's so much competition in this business, we have to constantly be aware and capitalize on new trends. This is one," he advises.

Food and Wines from France, which has worked mainly with large chain hotels like Omni on their regional promotions, says these dishes definitely generate traffic and publicity, but cautions that it may be more difficult for an independent operator who lacks the support staff available to a hotel chef to develop such menus.

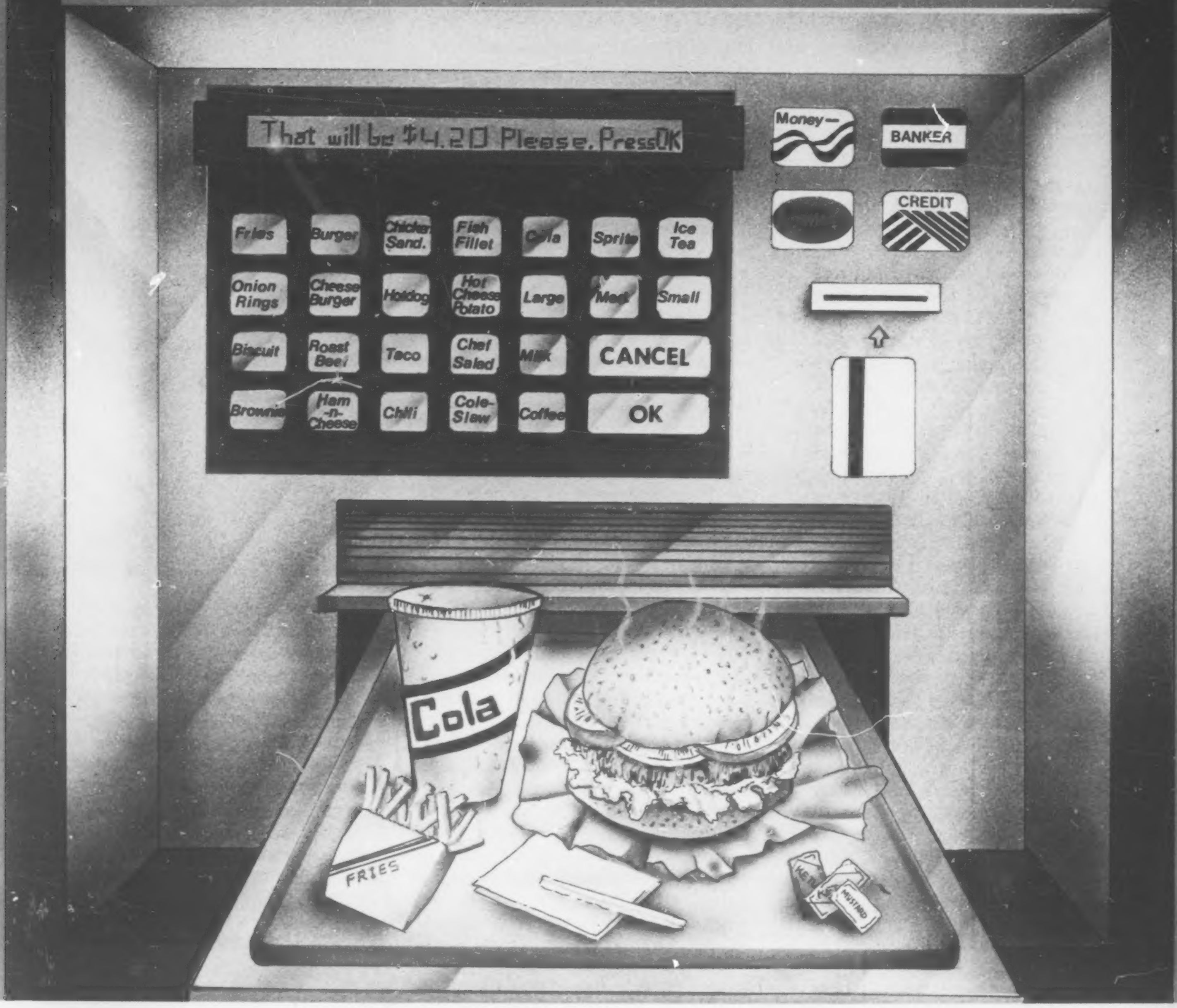
Square One's Goldstein confirms that the task is time consuming. "Developing my regional menus takes hours. I have to do the research, test the recipes and train the staff," she says. "I recommend it only to those with the time and energy required to execute it properly."

Regionalism is synonymous with authenticity

Yet, for a native like Ramon San Martin, knowledge of Spanish food comes naturally. "If I prepare authentic Spanish food, how can I avoid regional dishes?" he questions. For San Martin regionalism is synonymous with authenticity. The only problem he encounters is the lack of availability of some ingredients. "Technically, *changurro* should be prepared with a Galician crab. I often use Alaskan crab which is not the same, but similar," he says. "But, in some cases there are no excuses for substitutions. Paella should always be cooked in a flat pan." ☐

FAST FOOD WITH NO CASH

The "cashless" society futurists have talked about for years is now becoming a reality in the fast food business, long thought to be a stronghold of cash and carry.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MUSTARD

by Kathy Boyle

It's lunchtime. Sam has a wallet full of credit cards but no cash. He would like fast food because it is quick and cheap, but the bank's automated money machine is 10 blocks away.

It's Friday night. Tom and Jane have the kids and only $5 in cash. They want to eat out, but not at an expensive fine dining restaurant.

As Americans carry less cash, such scenarios are becoming more common, and a small number of fast food restaurant companies have begun to reconsider the segment's traditional stance against noncash transactions. They have put aside their concerns about the added service time such cashless transactions can mean, and they are experimenting with several types of noncash options for customer payment. Most are considering bank debit cards, but at least one fast food company is seriously testing credit card payment.

No one is sure what the outcome will be, but with millions of debit cards and credit cards in existence in the United States, it is certainly a potentially large and lucrative market.

Kathy Boyle is a freelance writer in Rockville, Maryland, who writes frequently for **Restaurants USA.**

Chains test debit cards

Wendy's International, Carl Karcher Enterprises and Roy Rogers Restaurants are among the operators testing electronic banking cards in selected units around the country.

Unlike credit cards, electronic banking is based on the instantaneous transfer of funds from one bank account to another—in this case from the customer's account to the fast food restaurant's account. Delays that might be experienced from other types of noncash payment, such as a check or credit card, are eliminated.

In these early stages of applying automated teller machines (ATM) or debit card technology to the restaurant business, fast food restaurants are primarily using two types of debit machine setups: either stand-alone debit machines similar to those used at banks, located either within the restaurant or just outside the restaurant, or a system in which the debit function is built into the restaurant's point-of-sale cash register.

Roy Rogers Restaurants have been testing the first type of option, the stand-alone ATM in Washington, DC, locations since June 1986. Says Mary Maguire, manager, public relations and administration of Roy Rogers Restaurants, "We use a conventional ATM. Customers can deposit money, get an account balance and make a withdrawal." Maguire notes that the experiment is doing well: "At some locations our machines are doing more business than other nearby bank ATMs."

For the test, Roy Rogers Restaurants picked a variety of types of units—from downtown locations to free-standing ones with parking lots to those in malls—to assess the feasibility of the machines at various types of locations. Despite the initial success of debit card usage, Roy Rogers has not yet committed to going chainwide. Maguire explains that the company still considers the machines an experiment.

Like Roy Rogers, Wendy's is experimenting with stand-alone ATM machines. However, the Wendy's test, in effect since early 1987 in four Wendy's units in the Dayton, Ohio, area, is part of a larger ATM experiment. The project includes a number of other merchants as well, including grocery stores, convenience stores, gas stations and drugstores. The experiment draws from a base of 7.5 million Money Station debit cardholders in Ohio (representing 90 percent of the debit card base in the state).

The Wendy's experiment differs from Roy Rogers' because ATM machines issue scrip, rather than cash. In the Wendy's experiment, the cardholder takes the card to a terminal located on a pedestal somewhere in the unit away from the cash registers. The cardholder enters the card, keys in the proper personal identification number (PIN) and then receives a receipt (scrip) for $10. This scrip is taken to a Wendy's cashier who credits the purchase against the scrip and returns any change. Because the $10 is instantaneously debited from the cardholder's account and credited to Wendy's account, the scrip is merely used as verification of the transaction for the cashier.

"Today, with so many people walking around without cash, we thought this might add to the convenience for the customer," says Paul Raab, manager of corporate communications for Wendy's International, Inc. in Dublin, Ohio. "And," he adds, "it fits with our philosophy of offering customers their choice, even in payment options."

"We did not know if consumers would accept using ATMs and debit cards for hamburgers," explains William H. Petrarca, senior vice president, EFT Strategies of National City Bank in Cleveland, Ohio, who worked closely with Wendy's in implementing the system. "Although these types of purchases have typically been made in cash, we thought, given the option, customers might prefer using their debit card over a check, for example. A lot of customers do not have their checkbook with them, or, even if they do, they may perceive the identification required to cash a check intimidating."

To try to make the Dayton experiment a fair test of customers' potential acceptance level, bankers, equipment vendors and merchants worked out the system together. In each retail business setting, the bank and equipment vendor worked with the merchant to make the ATM operations fit into each participating merchant's business operations. For example, in fast food, where speed of checkout is of great concern, the scrip system was developed to eliminate any holdup in service lines. "At a high volume Wendy's, throughput is key," says Petrarca. "We did not want to jeopardize this aspect of operations."

A company credit card

Independents can also cater to their customers who don't carry cash. That's what Lettuce Entertain You Enterprises, Inc. of Chicago has done by introducing its own credit card, which can be used at any of the corporation's 30 restaurants. Why has the company taken this step? It hopes it will help recruit and maintain regular customers.

The First National Bank of Lincolnshire in Chicago is backing the card. The bank will determine who qualifies for a card and what the limit will be. The bank will also keep all money made from interest.

"It is really important that everyone understand that the bank is handling all the financial aspects. Basically, the only benefit to us is that it allows us to identify our regular customers," says Dawn Reithel, Lettuce Entertain You's director of marketing. "The people who are going to really benefit are our customers."

Customers qualifying for the card can charge all meals, drinks and tips. Also, every cardholder will be notified by mail of special events and promotions at all Lettuce Entertain You restaurants.

"It operates exactly like a retail store's card," explains Reithel. There is no annual fee, but there is an 18 percent interest rate. However, interest is not charged if the balance is paid on time.

Reithel estimates that there are currently about 5,000 cardholders. The corporation's goal is to increase that number to 15,000 or 20,000.

Reithel says that Lettuce Entertain You will continue to accept other credit cards at all its locations except the five Ed Debevic's, which have never accepted credit cards.

—Tom McKeon

So far the experiment is a success. Wendy's Raab notes, "The system has had a positive impact on check size at the units where it is being tested." Like Roy Rogers, however, Wendy's has yet to commit itself to the system nationwide. "We will make a decision at the end of the year if we are continuing ATMs," says Raab.

Currently, there is no charge to customers for using the system, and, in fact, Wendy's has provided food incentives for customers to try it.

Merging the debit machine with the cash register

The other debit machine option is one where the debit machine is actually part of the restaurant's point-of-sale cash register system. With this setup, customers use their cards to pay for purchases at the register.

Carl's Jr., part of Carl Karcher Enterprises, headquartered in Anaheim, California, has been using this system since July 1987. Carl's Jr. accepts ATM cards for payment at 30 Carl's Jr. locations in the San Diego area. The system even allows customers to get additional cash back—up to $20.

"We think it's a natural pairing to bring ATM technology to fast food customers—we already know they appreciate convenience and streamlined service," says Robert Altman, the company's managing director of management information systems. "And it's easy to pay with an ATM card."

At the register, the customer slides the card through a slot and privately keys in his or her secret code. The system asks the customer to okay the amount, then rapidly verifies that the customer has funds to cover the purchase. The cost of the meal, in addition to any cash back, is automatically deducted from the patron's checking account.

Altman's observation is that the time it takes for approval from the bank is not significant in terms of customer throughput. And, he points out that in contrast to the stand-alone machine procedure, the customer does not have to wait in two lines--one at the ATM and one at the cash register.

Carl Karcher Enterprises, with 436 restaurants, is seriously looking at expanding the concept, possibly chainwide. "We are satisfied that there is a customer convenience and hopefully a competitive advantage," says Altman. Last month, Carl Karcher's started another test in the Sacramento market, using the ARCO Pay Point system.

Altman says it is hard to tell if the debit card option is adding to sales increases in units where the test is going on. Altman says that there are too many variables to tell for sure. In addition to the alternative method of payment, the company has been developing new advertising and new menu items and remodeling units.

Who pays for the debit system?

As with any new technology, there is a cost. Overall, there is the cost of the equipment itself, the cost of each transaction being processed and the cost of advertising the new system to customers. In the testing stages there have been allowances.

In the Dayton experiment, for example, the goal was to identify the potential of the services under optimum conditions. In order both to find the best way to get customers to use the system and to find out how many customers will use it, all of the participants—bankers, merchants and equipment vendors—absorbed some of the costs. For the initial experiment, the Money Station network of bankers contributed between $300,000 and $400,000 for basic marketing research, advertising the program and processing charges for the transactions. Merchants contributed the communication equipment, terminals, some advertising and also promotion of the service. Wendy's, for example, gave out free Cokes or fries to random customers that used the service. And finally, vendors provided very attractive prices on the terminal equipment and even allowed merchants to rent the equipment to offset the costs.

With so little experience to date, however, no one is sure what the final costs for such services may be. Commenting on the future costs of using debit machines, Petrarca speculates that "consumers will pay for the service, eventually." Petrarca sees the free market activity as the eventual cost determination: "Some banks and merchants will charge for the service; some will not," he says.

Credit cards—another option

Some fast food companies are investigating the use of credit cards. Arby's Incorporated, based in Atlanta, Georgia, began testing a credit card system at its Tulane University location in New Orleans in June of this year. At the unit, students present their Visas or MasterCards, and Arby's employees enter the cardholder numbers and wait for approval.

Ira A. Hermann, senior vice president and chief operating officer of Arby's Incorporated, explains that after five months of testing, Arby's is pleased with the results and is not only continuing the Tulane experiment, but is also planning to expand the pilot into the Cleveland, Ohio, market in early 1988.

This test will be a joint venture with the Chemical Bank Visa and MasterCard, using a magnetic strip card reader, rather than manually entering the cardholder number into the system.

Chemical Bank will provide the card readers, which, according to Hermann, is the only new equipment required because Arby's management information systems staff created interfaces with the cash registers and card readers. Arby's will pay a fee to the credit card company based on a percentage of sales.

According to Hermann, the reason Arby's chose the credit card system over the debit card system was the greater potential for usage. "We thought the debit card system would be limiting," says Hermann, "because not everyone has a debit card."

In sum

With a number of large fast food operators seriously considering the use of debit cards and/or credit cards for food transactions, fast food may be entering a cashless era. ❑

Furiana Ristorante
USA Cafe
THE GREAT WALL
FAMILY INN
FAST FOOD
ZZA

HOTEL FOOD

A bigger part of the marketing plan

Food and beverage service is no longer an in-house amenity designed to help sell hotel rooms. Increasing competition and bottom-line objectives have forced hotels to look at their food and beverage departments as profit centers.

by Marcia Hibsch Coppess

"Hotels have stopped talking about their restaurants as loss leaders," says Trudy O'Reilly, president of O'Reilly Advertising, a Dallas agency specializing in hospitality and tourism. "They now believe that if freestanding restaurants can make a profit at food and beverages, they can, too."

Thus, hotel food and beverage directors have expanded and upgraded services. Many hotels are offering 24-hour service, menus in several languages and more distinctive foods and elegant presentations developed by a new crop of award-winning chefs. These chefs are being hired with increased frequency, and they are doing much to boost the image of hotel food.

Marcia Hibsch Coppess is a freelance writer in Arcadia, California.

Growing emphasis on marketing

Radisson Hotels is the first hotel chain to appoint a corporate director of food and beverage marketing. John Ostrob's responsibility is to create ways to improve profits within the chain's food and beverage services.

"Normally, the marketing department of a hotel emphasizes selling rooms," Ostrob explains. "Way down the list of priorities is F & B. Even then, it has traditionally been treated as a means to sell a room. But we're in this business to make money, and there is no reason that the food and beverage department of Radisson shouldn't be profitable."

The majority of hotels have jumped toward the trend of marketing food and beverages. One director at Hilton Hotels Corporation said, "The emphasis used to be room sales; now it's all marketing."

Factors behind the trend

Industry experts and restaurant food and beverage directors hold a variety of views on the causes behind the trend. But accountability, belt-tightening and a more sophisticated consumer emerge as the incentives behind most changes. A number of trends stand out:

☐ **New tax laws** have hurt the "tax babies" built to take advantage of investment tax credits in the early 1980s by investors who could benefit from a write-off. Where investors had been able to deduct as much as 25 percent of their hotel building or renovation projects, they now are responsible for those expenses.

☐ **Increased competition**. In addition, many cities have failed to catch up with optimistic growth or convention business projections, resulting in a room glut. Some hotels maintain occupancy rates below 60 percent. Naturally, investors are pressuring management to show a profit any way they can.

Since investors won't accept losses, hotel management must charge rates ranging from $80 to $120 per day to make profit goals. With lower rates removed as a means of competing with one another for customers, the goal has become having more value for the same room rate. A war is being waged among large hotels competing for the shrinking base of regular travelers.

At DoubleTree Hotels, first-night guests receive freshly baked chocolate chip cookies upon check-in. (Milk is available.) Sister corporation Compri offers make-your-own peanut butter and jelly sandwiches in the lobby lounge every night. Several hotels offer a complimentary newspaper and hot coffee at the guest's door in the morning.

The consumer has quickly become spoiled. Extras that were special only a few years ago—chocolates on the pillow or fresh-squeezed orange juice from room service—are expected. If a hotel wants the business, it must do that and more.

At the Aristocrat in Dallas, the restaurant staff cooperates with customers to create a special-occasion menu using the host's own recipes. During the holiday season at Four Seasons Hotel in Newport Beach, California, guests will enjoy complimentary gift wrapping while they lunch. And when they arrive at the Ritz-Carlton in Laguna Beach, California, they will be presented with a "Nutcracker Sweet" basket filled with international holiday confections.

Downstairs, classic French cuisine has given way to regional American, heart-healthy, low-calorie or ethnic foods, prepared by award-winning chefs and served on white linen and fine china. Sometimes the restaurant space is turned over to a restaurateur who has developed a well-known reputation. The Old Original Bookbinder's, the internationally renowned landmark restaurant in Philadelphia, will break its 122-year tradition when it opens next year in the Taj Mahal, the casino-hotel in Atlantic City being built by Resorts International, Inc. Not only will the hotel restaurant duplicate the menu items from the Philadelphia establishment, it will also incorporate much of its decor, including live salt water fish tanks displaying several types of sharks.

☐ **All-suite hotels** are luring the middle market frequent business traveler—the bread and butter of mid-priced hotels—away from traditional hotels with conference rooms, large dining halls and other amenities. All-inclusive rate packages that feature breakfast, afternoon snacks and evening drinks and hors d'oeuvres as well as work desks and reading rooms.

At Compri, designers have dispensed with the atrium lobby. Instead, the "Compri Club" features about 5,000 square feet of work and relaxation space. In the morning, guests select from a handful of hot entrees or cereals, muffins and Danish. Fruit, juice and other beverages are provided. In the evening, cocktails are served. All foodservice is included in the room rate, which ranges from about $60 to $90 per day—and the hotel maintains a no-tipping policy.

Hilton is developing CrestHil, a moderate-priced ($48 to $68 per day) all-suite chain to be located near business centers, hospitals and universities. The hotels will have limited foodservice with a buffet three times a day, but will offer a pool, jacuzzi, exercise room and lobby lounge with a big fireplace and visiting area. The corporation hopes to attract families on vacation and traveling salespeople with the homey touches it plans.

☐ **Increasingly sophisticated travelers** demand more from hotel food and beverage service and will go elsewhere if the hotel cannot provide it. The proliferation of fine dining establishments in major American cities has created fierce competition for a dwindling supply of expense-account entertainers and special-occasion diners. That is why many hotel restaurants aspire to set trends. Among the latest innovators is New York's Hotel Maxim de Paris, which is scheduled to open this month with a distinctly Mediterranean style of cooking called "Cuisine Mediterranean."

Hotels have an advantage over freestanding restaurants in that they have a captive audience. During an average three-day stay, most hotel patrons will eat at the hotel two or three times. If the patron is a businessperson with clients to entertain, he or she often finds it most convenient to arrange a dinner in the hotel restaurant's fine dining room.

Yet, like most businesses that cater to tourism, hotel restaurants suffer during seasonal slowdowns. To combat low-profit months in the new bottom-line atmosphere, they are enticing a loyal base of local customers. And, not content to offer their expertise only to those seeking a fine dining experience, they are launching pizza restaurants, tapas bars, theme restaurants and other medium-priced facilities.

☐ **America's love affair with fitness** is not lost on hoteliers. Today's overworked and underrested traveler may prefer a bran muffin over a Bloody Mary. The hotel that can offer a healthy alternative and more will win the business.

"Fresh, creative, tasty and well-presented food is today's trend, and we are catering to that market," says Peter Kleiser, senior vice president of food and beverage for Hilton Hotels Corporation. "We try to stay away from the fads that change every three months, but we are listening to the consumer."

Hilton Hotels sponsors an olympic "training table" menu at restaurants in downtown properties to coincide with its sponsorship of the 1988 U.S. Olympic Team. The new minimenu, which supplements Hilton's food and beverage offerings, offers seven items: two appetizers, three entrees and two desserts that average about 400 calories each. Salmon fillets, stirfried beef or shrimp and breast of chicken are complemented by angel hair pasta with prosciutto and shiitake mushrooms, a shrimp salad, strawberry shortcake and a root beer float.

At Four Seasons Hotels, Alternative Cuisine items on the menus are designed with lower calories, sodium and cholesterol, and they include such items as broiled salmon in a cranberry vinegar sauce and *pot au feu* of red snapper and saffron.

DoubleTree has collaborated with the California Prune Board to create a high-fiber sampler. The breakfast includes fresh-squeezed orange juice, a hot prune bran muffin, fresh fruit, dried apricots, prunes and walnuts.

□ **Convenience and speed** are preferred over luxury at mid-priced hotels. Hotel minibars and in-room refrigerators have sprung up in Holiday Inns, some Hyatt hotels and other properties across the country. The items offered include peanuts, packaged cookies, crackers and cheese and alcoholic and non-alcoholic beverages. Hotels have discovered that when hotel patrons are hungry at 2 a.m., they would rather grab a quick snack than wait 30 minutes for a full meal from room service.

Some hotels are offering video breakfasts. At the Sheraton Park Central in Dallas and nearly 200 other hotels, guests can review menu selections by video the night before and place their orders by following directions on the screen.

Other hotels offer to prepare breakfast within a set time. If the meal is not on the table in the promised minutes, the hotel pays.

Marketing restaurants with design

Fine dining's return to hotels has sparked a renewed interest in fine decor.

by John McCloud

Kuleto's

There's a lot going on at Kuleto's in San Francisco's Villa Florence Hotel. Kuleto's main door opens right onto busy Powell Street only two blocks from the cable car turnaround. This enormously popular restaurant, with its tiled floor, wooden booths and a gigantic 19th-century mahogany bar, presents a continuous flow of activity as customers and staff move along its narrow galleys. What at first appears to be a vast mirrored wall turns out to be a glass partition looking into an adjoining seating area. Kuleto's has an open cooking area which serves a social as well as a decorative function. A counter at the grill offers a comfortable alternative for the solitary diner who might feel awkward or bored at a table-for-one.

Named for its designer, Patrick Kuleto, the 120-seat restaurant is intended more for locals than for hotel guests. "Except for breakfast, we don't depend on guests to make the restaurant go," explains John LaTour, president of the Kimco Group, which owns the Villa Florence as well as four other small San Francisco hotels. "Our hotel is too small (177 rooms) for that, but even if we had 1,000 rooms, we would need to develop a regular clientele in order to survive in San Francisco. There are so many excellent restaurants here that no one has to eat in their hotel if they don't want to. And they want to sample the city's cuisine, not stick to one place."

Yet if Kimco does not rely on the Villa Florence for customers at Kuleto's, to some extent it does depend on the restaurant to generate business for the hotel. "The restaurant is part of our marketing strategy. We try to make a statement on the block to differentiate ourselves from the surrounding businesses. If customers are indifferent to the restaurant's design and atmosphere, they are not going to think much about staying at the hotel. But if they find the setting appealing, they assume that the rooms will be also."

A sense of history

The management at the Heathman Hotel, a restored 1927 structure in Portland, Oregon, listed on the National Register of Historic Places, also uses the restaurant to market the hotel. Like Kuleto's, the Heathman Restaurant has its main entrance directly on the street. The entrance, in fact, is nearly as grand as that of the hotel itself. Explains general manager Mary Arnstad, "Our reputation is based on food. This is our public base. A lot of people know us from our restaurant and have never been upstairs."

A member of Small Luxury Hotels, a national network of independently owned establishments, the Heathman gave a lot of attention to the restaurant's design from the outset. "We wanted the restaurant to make a statement of quality that everyone could see," says Arnstad.

In addition to opting for a street profile that would be highly visible to passersby, especially patrons of the Arlene Schnitzer Concert Hall next door, the design team decided on an understated, timeless look, using red marble, natural woods and leathers, and beige carpeting. "It's not trendy—we wanted something that says this is here to stay. And we

Many hotels have taken additional steps to cater to the convenience needs of their guests. Heinz Grub, food and beverage director of the Capitol Hilton in Washington, DC, for example, is preparing a catalog of items designed to ease the away-from-home entertaining obligations of the harried businesspeople his hotel serves.

"We will offer a variety of foods, from sushi and sashimi to Virginia ham, as well as floral arrangements and every other detail a businessperson needs to entertain in his or her suite or private dining room," Grub explains.

□ **Delivery services** are not timid about delivering pizza, chicken and other foods to hotel rooms. It takes only a peek into a hotel room trash can filled with fast food sacks to know that room service is not always reaching its intended audience.

Ostrob comments wryly, "When you walk down a hotel hallway at 1 a.m. and see all the Domino's Pizza boxes outside the doors, it doesn't take a brain surgeon to figure out that you are giving away potential profits."

To fight the pizza chains pepperoni for pepperoni, Radisson not only began offering hot pizza through room service, but it also placed room service pizza menus in the yellow pages of every phone book in every room, offering to deliver hot pizza in 29 minutes. (Domino's promises the same in 30 minutes.)

Hotels are dipping their toes into more than home pizza delivery. At the Park Hyatt Hotel in Chicago, the staff will prepare "Tea To Go" for two to 50 people and deliver it to offices, homes or other locations. The tea service includes a selection of fine teas, pastries and sandwiches with cloth napkins and china cups.

Not forgetting travelers

Yet, despite these trends and the new emphasis on marketing, hotel restaurants continue to be a service to the hotel's patrons. Even with the surge toward local customers, they cannot leave the traveler behind. "You can never completely detach yourself from the hotel," says one industry observer. Happily, most hoteliers don't make this mistake. ❑

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wanted it to look like it's always been here to give people a sense of the hotel's history," explains Arnstad.

The Heathman, too, has an exhibition kitchen, but in order to bring attention back to the food itself rather than the preparation, a wood and etched-glass partition was installed to provide more separation. "Guests either love it," notes Arnstad, "or they think it looks like a cafeteria."

With a menu that leans heavily toward local products, freshly grown and in season, the Heathman has proved to be extremely popular with Portlanders and visitors alike. "We wanted the whole focus to be on food, so we tried for a look that supports that experience, that doesn't call attention to itself. In that sense, it's very Oregonian, very modest. At the same time, it's very elegant. It feels worldly, the way a hotel should. You can pretend you're in New York or San Francisco," says Arnstad.

Another sign of the Heathman's worldliness lies in its extensive collection of contemporary art. Although the hotel's halls and public rooms display a variety of artists, many of them from the Pacific Northwest, the restaurant features Andy Warhol's "Endangered Species" seriographs. "With the Performing Arts Center next door and the art museum two blocks away, our art collection is a way of tying in to our neighborhood," Arnstad explains.

A symbol of style

At West Hollywood's Bel Age Hotel, also a member of Small Luxury Hotels, art provides an even stronger framework. Owner Severyn Ashkenazy, who reigns over seven Los Angeles-area establishments known as L'Ermitage Hotels, uses both his hotels and their restaurants to display his family's impressive collection of international art. Works by Chagall, Miro, Utrillo, Rauschenberg and other prominent artists line the walls throughout.

The Bel Age has two restaurants, the more casual La Brasserie and the formal Bel Age Restaurant. With two restaurants to play off, Ashkenazy has been able to cater to two different trends. La Brasserie, in restful seafoam green and salmon hues, adheres to a simple (but clearly expensive) design. Its primary feature is a panoramic view afforded by the hotel's placement at the base of the Hollywood hills. By contrast, the Bel Age, with its more ornate furnishings, handwoven tapestries and romantic lighting, sits totally encapsulated—a world unto itself.

Although La Brasserie and the Bel Age no doubt do contribute to the hotel's marketing effort, according to Ashkenazy this is not their primary purpose. "We are offering a great hotel in the classic tradition, and our guests expect us to have a great restaurant. A great restaurant is the symbol of a great hotel," he says.

"A little squirt of lemon"

When Sarah Lee first began to work on the Willard Hotel in Washington, DC, her first thought was to develop a sense of coherence, particularly because she was working with a structure of great historic value. But by the time the project was complete, she had changed her outlook a bit.

"There was an Italian in charge of the project," she relates, "and he insisted on putting in this very up-to-date Italian street cafe on the ground floor, something I felt was totally at odds with the Willard's character. But you know, now that it's done, I like it. It's like a little squirt of lemon. It really makes you appreciate the rest of it."

Even large hotel chains, once paragons of conformity, now give attention to individualized design. Perhaps the most significant shift within the large chains has been the decision to design a restaurant to fit the location rather than plunking the same design into every branch.

A place to show off food

Summing up the entire field of hotel restaurant design, Lee claims, "Five years ago, you never would have thought of going to a hotel for a fine meal. That's certainly not true any longer. And if you've got fine food, there's no point in not having some place attractive to show it off."

John McCloud is a freelance writer in Berkeley, California.

HOME DELIVERY

[illegible]

Delivery services for groups of independent tableservice restaurants are springing up in metropolitan areas all over the country.

No longer synonymous with pizza and Chinese food, home delivery is now embraced by most segments of the industry. Even upscale restaurants are getting a slice of this business, thanks to delivery services that act as brokers for as few as five and as many as 43 restaurants in many parts of the United States.

Restaurant Express, which opened in February 1987 in Newport Beach, California, with six waiters/drivers, now employs 50. Tuxedoed waiters appear in offices and at doorsteps carrying such dinners as *spinach fusilli with bay shrimp and pesto cream, chicken and leek soup, filet mignon topped with crablegs, asparagus and sauce Bearnaise, and baked apple pastry with Devonshire cream.* They perform all the functions of servers in an upscale restaurant—upon request—presenting the food, pouring the wine and even showing the desserts. According to Restaurant Express Vice President Peter Hetherington, who estimates that the company has delivered 25,000 meals since opening, "Customers are excited about the service and the 'show biz' involved."

In addition to Restaurant Express, there is EatOutIn in Austin, Texas; Dine Out In in Houston; Order In and Takeout Taxi in the Washington, DC, area; Room Service, which is test marketing in Chicago; another delivery service in the talking stage in San Francisco; and no doubt others in other cities.

Operators welcome delivery opportunity

Restaurateurs, who longed for a piece of the delivery action and the profits it offers, welcome the advent of the delivery service. It enables them to escape the substantial startup costs for delivery trucks, personnel and marketing and, more importantly, to relieve the strain that operating an on-site delivery system might pose for their restaurants.

Dean Carson of Carson's the Place for Ribs oversees the operation of the company's five restaurants in the metropolitan Chicago area. Carson, who is seriously considering signing up with Room Service in Chicago, says, "I don't want to get into the delivery business. Someone in the restaurant business should be in the restaurant business."

Carson's downtown operation currently handles 3,500 carryouts a week, and he thinks that home delivery holds opportunity and a new market for his product. "I think there is a market out there for my product," Carson maintains. "Ribs carry well. They travel much better than pizza. And there is a definite resurgence in the number of people living in downtown Chicago. Someone who wants delivery is going to pay for it. I am going to get the customer who doesn't care about the price, as opposed to my carryout customer."

Mo Sussman, co-owner with Tong Jill of Joe and Mo's in the Washington, DC, area, is a member of Order In. Sussman explains why he joined the service: "One of our concerns was how the food would transfer. Would it be served hot? But they have containers which keep the product the way it is supposed to be. The way I saw it, the delivery service had no downside, so I decided to give it a shot."

But Sussman, who hopes to generate an additional $50,000 worth of business this year through his affiliation with Order In, cautions other operators to be mindful of coordina-

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Dorothy Dee is a freelance writer in Bethesda, Maryland.

Hotel delivery begins with bowl of tortilla soup

Even reluctant hotels, like the Mansion on Turtle Creek in Dallas, offer their elegant menus, complete with waiter and limo, to steady patrons.

It all started three or four years ago when someone went into the hospital and needed a bowl of tortilla soup, recalls Bill Shoaf, food and beverage director at the Mansion on Turtle Creek, an elegant hotel and 140-seat restaurant in Dallas.

"We backed into it (home delivery)," Bill Shoaf says. "It was not something we planned on doing, but the Mansion has a policy of not saying 'no' to our guests. We feel that if our regular clients have a special need, it is important for us to take care of it."

The Mansion, which specializes in Southwestern cuisine, runs its delivery service out of room service. Callers can have whatever is on the room service menu. Although lunch orders can be hectic, orders are not generally spur of the moment. The hotel might have as long as three hours to prepare and deliver the food. When it's time to deliver though, it is definitely in Mansion style. A waiter dressed in black pants, white jacket and bow tie delivers the food, sometimes arriving in one of the hotel's three limousines. There is a cover charge of $2.50 per person, but no delivery charge. Deliveries are normally no more than one-half to one mile away, but the Mansion has served meals as far as seven miles.

Customers are usually professionals who want dinner delivered to their homes or a lunch delivered to their offices. The growth area, according to Shoaf, is lunches delivered to professional offices like the one located across the street from the hotel.

Shoaf says, "Our biggest worry is that we don't want to compromise the quality of our reputation and food." To overcome this, the staff member taking the order questions callers about their kitchen facilities, often suggesting cold items or soup, which can be reheated without deterioration.

"We don't advertise our delivery service," Shoaf admits. "It is not something we are in the business of doing. We do it more as a service. But it has great potential, and we might actually start considering it more extensively if interest continues."

tion within the restaurant. "In order for this to work, you have to have a chain of command in your organization to make it run smoothly. The optimum would be to have one person take the order, put it in the kitchen and package it." Currently Sussman's bartender takes the order from Order In and punches the selections into a machine that automatically transfers it to the kitchen.

No typical customer

Jackie Davies, co-owner of EatOutIn, possibly the forerunner of other delivery services, initially hoped to tap the yuppie market, but found to her surprise that all sorts of people patronized the service. In addition to hungry diners too tired to cook, companies used the service as an incentive for employees working overtime, doctors sent a meal to hospital-bound couples after the birth of a child and real estate agents sent dinners-for-two to couples after purchasing a new home.

"We thought we would be trying to tap the yuppie market—two-income households with a lot of disposable income but little time," Davies says, "but we found that the elderly, the handicapped, mothers and even kids in college used the service much more than we thought they would or could. In fact, one local computer company made a deal with its employees: If they work a certain number of hours on a weekend or week night, they can call EatOutIn."

The success equation

Part of the key to the delivery services' success is responding to the consumer's appetite for variety. Services successfully penetrate the market by enlisting the most popular restaurants, featuring many cuisines and being sure that the restaurants are close to the dispatch center.

Order In, in business since July 1987, now delivers 250 to 300 meals a week and hopes to gross $750,000 in sales its first year. When asked how he selected the original restaurants, president Bronson Dorsey, a former marketing and business consultant, admits that personal preference was a key factor. "It was a matter of going to a lot of restaurants, trying the food and looking at how the restaurants were rated by the *Washington Post* and *Washingtonian Magazine*. We wanted a wide spectrum of restaurants that would appeal to any taste and then, in the end, it got down to personal preference."

Davies of EatOutIn took a more pragmatic approach. "We thought if we could start out with the most popular restaurants, there wouldn't be any resistance to the food. We also thought that by going with the best restaurants, they would have good management. To do it right, it takes a lot of coordination between the restaurant and EatOutIn."

Another key ingredient in the success formula is delivering the product in the promised amount of time—anywhere from 30 to 90 minutes. Tom Feltenstein, president of American Restaurant Marketing Group, Inc., in West Palm Beach, Florida, cautions, "Restaurants are no longer the only game in town. The whole food market is convenience-driven, and the operators who neglect that fact will be left behind as on-premises traffic stalls." Feltenstein maintains that successful operators will offer time value as well as price value.

With time a premium, delivery services must be careful to select restaurants near their central dispatch. In order to deliver meals in the 30 to 45 minute time frame designated, EatOutIn was forced to drop some restaurants when it changed its original location. Davies explains: "We changed our location after the first year and had to change a few of our restaurants. Our restaurants need to be near the central dispatch."

Not to be forgotten in the success of upscale delivery services is style—that unique quality that has always attracted discerning customers to upscale restaurants. "Customers are very excited about having very elegant food delivered to their home," says Hetherington of Restaurant Express. "One of our customers told us recently that she put her stove in mothballs." ❑

How the delivery service works

The idea behind delivery services for independent restaurants is simple, the logistics anything but. Customers call a service's telephone number, which comes into a dispatch center manned by a couple of telephone operators. These operators take the order, call it into the restaurant and dispatch a group of drivers who pick up the food and deliver it to the customer.

If the restaurant is automated, the telephone operator might pull up the restaurant's menu on the computer screen and punch the caller's selections into the machine which automatically transmits it to the restaurant. If the restaurant is not automated, the operator copies down the order manually, places it in a queue with earlier orders and, in turn, calls the order into the restaurant.

The restaurant designs its own back-of-the-house method of accepting the order and processing it through the kitchen. If hot, the order might be placed in an insulated carrier or a hot packet and transferred to a warmer in a truck or car. If cold, it might be placed in a styrofoam package with an ice packet.

More often than not, callers identify their selections before calling. Menu booklets containing the member restaurant menus are usually mailed to area residents beforehand. Often, they feature the same or a tailored version of the establishment's menu at similar or slightly higher prices.

Customers place at least a designated minimum order and are charged either a flat delivery fee or a percentage of the check, usually 15 or 20 percent. Most delivery services charge the restaurant a percentage of the gross sales for the use of the service and such benefits as direct mail advertising. But other financial arrangements are possible. Order In makes its money by pocketing the difference between the menu prices the customer pays and the discounted rates it is charged by member restaurants.

1988 NATIONAL RESTAURANT ASSOCIATION FOODSERVICE FORECAST

1988 forecast highlights

The industry is heading for its eighth consecutive year of real growth.

☐ **Foodservice industry sales** are projected to reach $213.5 billion in 1988—up 7.1 percent over 1987.

☐ **Real sales**, adjusted for inflation, should rise 2.9 percent—a slight improvement over 1987's 2.7 percent real increase.

☐ The **Commercial Foodservice Group** will post sales of $189.3 billion in 1988—an increase of 7.5 percent over 1987. Adjusted for inflation, this represents a real gain of 3.3 percent.

☐ Sales for the **Institutional Foodservice Group** are expected to rise by 3.9 percent in 1988, but they will not change in inflation-adjusted dollars.

☐ **Eating place sales**, which account for nearly 65 percent of total industry sales, are forecast to reach $138.2 billion—a 3.3 percent real increase over 1987.

☐ **Fast food restaurants** in 1988 will continue to outpace the industry average for real growth, posting a healthy 4.3 percent increase over 1987. Total limited menu restaurant sales are forecast to reach $60.4 billion.

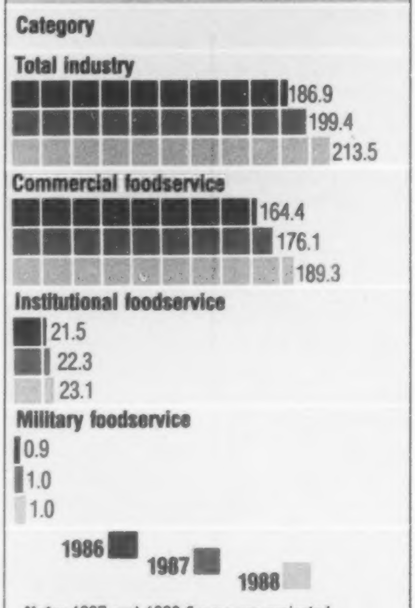
☐ **Retail host restaurants** are predicted to show the largest real sales increase in the industry—7.8 percent.

☐ For the fourth straight year, real growth for **transportation foodservice sales** is projected to be above the industry average—up 6.7 percent.

☐ **Menu prices** are forecast to advance 4.2 percent in 1988, up slightly from the 4.0 percent increase in 1987.

The information in this report was prepared in consultation with the research firm Malcolm M. Knapp, Inc. The sales forecast was made in late September 1987.

Overview: The industry in 1988



Foodservice industry sales
(billions of dollars)

Note: 1987 and 1988 figures are projected
Source: National Restaurant Association

The foodservice industry is primed for its eighth consecutive year of real sales growth. Total industry sales in 1988 are expected to reach $213.5 billion—an increase of 7.1 percent from the $199.4 billion recorded in 1987. Real sales, after adjusting for inflation, are projected to advance 2.9 percent in 1988, virtually equal to the expected 2.8 percent increase in the Gross National Product (GNP).

Next year, industry sales will be up by $14.2 billion. The absolute size of this increase is enormous—roughly equivalent to adding over 200 restaurant chains, each with sales between $25 and $99 million to the industry in a single year. Nevertheless, the 7.1 percent growth in 1988 doesn't match the extraordinary percentage gains of the 1970s because the foodservice industry is in a more mature phase today. Now it is appropriate to compare percentage growth in foodservice to what is happening in other retail and service industries rather than to larger gains made by foodservice in earlier years.

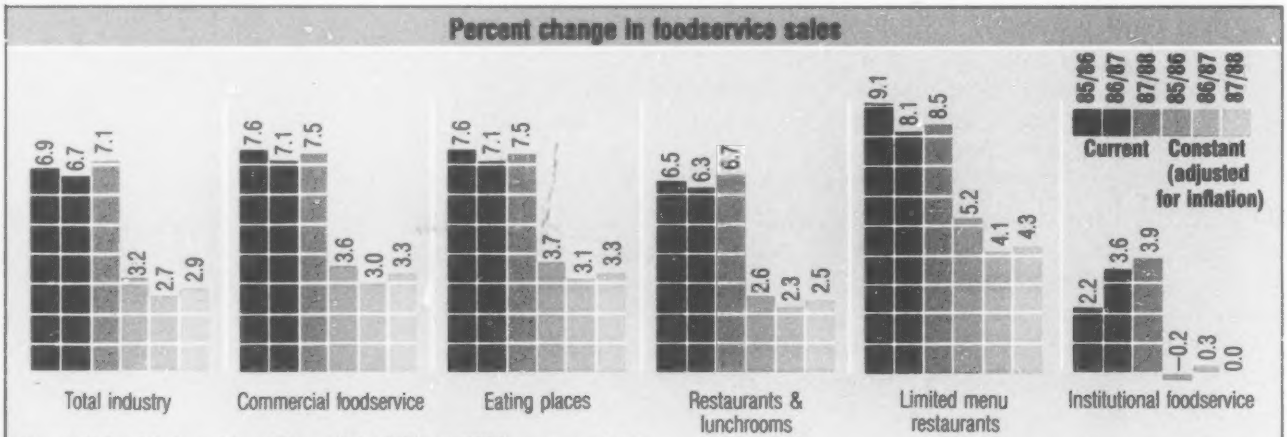
Foodservice is in a favorable position, compared to many other domestic industries, a position it shares with others in the service sector of the economy. The foodservice industry has an advantage in that it does not have to share its growth with foreign competition. In fact, the industry is an active developer of business overseas.

Food and drink sales in the Commercial Foodservice Group are projected to show the most substantial gains in the industry in 1988, advancing a hefty 7.5 percent to $189.3 billion and accounting for 88.7 percent of total foodservice sales. In comparison, sales for this sector climbed at a slightly lower 7.1 percent rate in 1987. In inflation-adjusted dollars, sales for the Commercial Foodservice Group are expected to rise 3.3 percent in 1988.

The Institutional Foodservice Group is forecast to post sales of $23.1 billion in 1988, up a modest 3.9 percent from sales of $22.3 billion in 1987. In real terms, this translates into no growth, compared to the slight 0.3 percent advance recorded in 1987. This reflects the continued success of contractors who are capturing a larger share of the institutional market.

Military Foodservice Group sales in 1988 are expected to climb to $1.0 billion, a 6.4 percent increase over 1987. This increase is somewhat larger than the 5.8 percent gain posted for 1987. After adjusting for inflation, real sales are expected to advance 2.2 percent in 1988, up from the 1.8 percent in 1987.

In sum, the 1988 forecast is for continued growth with considerable opportunities for individual firms and their suppliers.



Percent change in foodservice sales

Source: National Restaurant Association **Note:** 1987 and 1988 figures are projected

The economy

Economic factors play an ongoing role in determining the performance of the foodservice industry. Because business conditions within the industry reflect general economic conditions, it is important to understand how the economy has performed this year and to examine expectations for 1988.

1987 economic highlights

In 1987 the United States economy continued to expand, but it did not quite maintain the rate of growth recorded in 1986. After adjusting for inflation, the Gross National Product (GNP) advanced 2.6 percent in 1987, compared to the 2.9 percent real growth recorded in 1986.

Inflation heated up slightly in 1987, due primarily to higher energy costs.

The Consumer Price Index (CPI) advanced 3.8 percent in 1987 versus a very modest 1.9 percent increase for 1986. The nation's civilian unemployment rate dropped to 6.2 percent in 1987 as the number employed continued to grow.

Real disposable personal income posted a modest gain of 1.4 percent in 1987, compared to a substantially higher 4.0 percent advance recorded in 1986. Consumers continued to increase their purchases of both durable and nondurable items in 1987 but at a slower pace. Real consumer expenditures for durables advanced 0.8 percent in 1987, and real nondurable spending increased by 0.5 percent.

Consumers' saving rates continued their decline in 1987, dropping to 3.6 percent of personal disposable income. By comparison, consumers saved 4.3 percent of their disposable personal income in 1986. The annual savings rate for consumers has declined steadily since 1981. In addition, consumer installment debt reached record levels in 1987, nearing the $600 billion mark.

Continued spending by consumers, combined with a gain of 2.8 million in civilian employment, sparked the nation's economic growth in 1987.

What's in store for the economy in 1988?

- ☐ **More growth**
  Real GNP up 2.8%
- ☐ **Somewhat higher inflation**
  CPI advancing 4.6%
- ☐ **Increases in disposal income**
  Real disposable personal income will grow 2.7%
- ☐ **Higher interest rates**
  The prime rate at 8.9%
- ☐ **Lower unemployment**
  Civilian unemployment rate at 6.0%

Source: *Blue Chip Economic Forecast*

Economic expansion to continue in 1988

The economy should expand at a moderate pace in 1988, according to *Blue Chip Economic Indicators* (October 1987). This consensus forecast for key economic variables by 51 top economists predicts that real GNP gains will be somewhat higher in 1988 than in 1987 —2.8 percent compared to 2.6 percent. Continued GNP growth in 1988 is expected to make this period of peacetime economic expansion the longest in post-World War II American history. This is good news for the restaurant industry because a high correlation exists between changes in real GNP and changes in real industry sales. Changes in real disposable personal income are also closely related to changes in restaurant sales. Real disposable personal income is forecast to advance 2.7 percent in 1988—up from a 1.4 percent increase in 1987.

The number of employed civilians has continued to grow

Year	Civilian employment (000)	Civilian unemployment rate
1984	105,005	7.5%
1985	107,150	7.2
1986	109,597	7.0
1987*	112,400	6.2

*projected

Source: Department of Labor, Bureau of Labor Statistics; *Blue Chip Economic Forecast*

The inflation rate is expected to be higher in 1988 than in 1987. The Consumer Price Index (CPI) is forecast to advance 4.6 percent in 1988 compared to a lower 3.8 percent in 1987. Higher prices for imports are expected to boost the inflation rate.

The nation's civilian unemployment rate is expected to continue its decline in 1988, reaching an annual rate of 6.0 percent, the lowest since 1979. Increases in industrial production, forecast to expand 3.8 percent in 1988—up from 3.2 percent in 1987—should help stimulate employment.

The outlook for travel and tourism in 1988 remains bright. Both domestic and international markets are expected to prosper. According to the U.S. Travel and Tourism Administration, the nation anticipates 24 million international visits in 1988—up 4 percent over 1987. In addition, domestic travel and spending levels are expected to reach new highs.

A word of caution is necessary, however. The record United States government budget deficit and the continuing international trade imbalance are causing volatility in both domestic and international financial markets. As a result, consumer spending could be dampened in 1988. Nevertheless, the economy is expected to deal with these issues and continue the longest peacetime expansion of the post-World War II period.

Consumer savings and confidence

The cash which consumers have on hand has always been an important variable in determining overall restaurant sales. Consumer spending habits are related to their perceptions of their own financial security. In 1987, consumer confidence reached an all-time high, but personal savings reached an all-time low. What is happening?

A dramatic increase in savings and financing alternatives has offered options to the average consumer which were not envisioned just a few years ago. The emergence of home equity loans has allowed consumers to tap the wealth which they have accumulated in their residences, and a variety of savings alternatives, such as personal Individual Retirement Accounts (IRAs) and employer sponsored savings plans, such as the 401K, have altered savings patterns.

The Conference Board's Consumer Confidence Index, which measures consumer optimism about economic conditions, advanced significantly in the first nine months of 1987. From January through September 1987, consumer confidence jumped more than 34 percent. This increase in consumer optimism is in large part attributable to the improved national employment situation. In addition, lower inflation rates, combined with other favorable economic conditions, have acted to buoy consumer attitudes.

The stock market plunge and gyrations in the autumn of 1987 could dampen consumer optimism regarding the national economy. Since the link between Wall Street markets and consumers' own financial positions is unclear to many individuals, consumer confidence could become more volatile. Consumers whose income is directly tied to the stock market, such as older people living on their investments, may display a less positive attitude. But a sense of confidence for most consumers is probably more closely linked to their own prospects for employment than it is to the stock market.

Legislative and regulatory issues

A wide variety of legislative and regulatory issues, which have a direct effect on foodservice, will be up for consideration in 1988. Although these issues affect almost every aspect of industry operations, those of greatest concern are labor related. Both payroll and employee benefits will be affected by proposals concerning:

☐ minimum wage and tip credit
☐ mandated health benefits
☐ parental leave benefits
☐ plant-closing notification rules
☐ occupational disease notification rules and
☐ FICA coverage on tips.

The foodservice industry is in a more mature phase today. Now it is appropriate to compare percentage growth in foodservice to what is happening in other retail and service industries rather than to larger gains made by foodservice in earlier years.

Three of these issues, minimum wage, parental leave benefits and mandated health benefits, may also be active at the state level. Currently, 10 states and the District of Columbia have enacted legislation requiring a minimum wage that is higher than the federal miminum of $3.35. In addition, California, Pennsylvania and Wisconsin are considering similar increases.

Issues concerning the safety of the food supply will undoubtedly be felt in both the legislative and regulatory arenas. Concerns over pesticides, foodborne bacteria, food additives, chemicals and antibiotic residues in meats have been around for a while, but recent public awareness is motivating lawmakers to address these issues. The U.S. food supply is relatively safe, and consumer concern, although justified in some cases, is often based on the misunderstanding of complex, technical issues or on incomplete information.

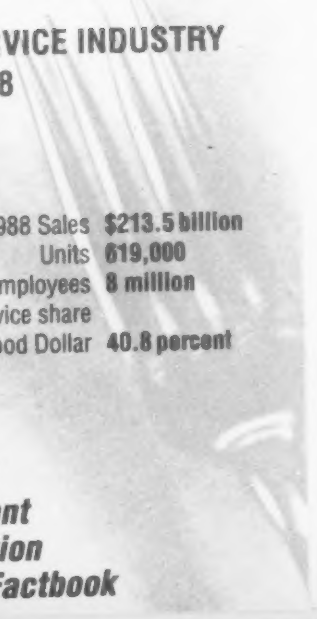
An example of this "safety paranoia" is the passage by public ballot of California's Safe Drinking Water and Toxic Enforcement Act of 1986 (better known as Proposition 65). Designed to protect against potentially harmful chemicals, Proposition 65 requires clear and reasonable warnings when the public is exposed to chemicals known to cause cancer or reproductive toxicity in animals or humans. Because many of the chemicals listed as harmful by the state of California are found in common foods and beverages, foodservice establishments will be required to post warnings even when low levels of these chemicals are considered harmless. The enforcement details of Proposition 65 have yet to be determined and the regulation is being challenged by many groups, including the Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA). Nonetheless, the precedent has been set, and other states may follow suit with similar laws and regulations.

Pesticides, too, are receiving increased attention. Consumer groups are increasingly critical of established levels for pesticide residues in food products. The Environmental Protection Agency ranks health and ecological risks from residues high on its list of problems, and the FDA is increasing its domestic pesticide residue-testing activities. The result is a heightened awareness of pesticides and increased demand for organically cultivated agricultural products.

Concern over foodborne bacteria and food contamination has focused congressional attention on inspection programs, specifically those for meat, poultry and seafood. Existing USDA meat and poultry inspection programs are considered lax by advocacy groups, who are lobbying Congress to introduce bills designed to improve USDA's inspection activities. Increased fish consumption is responsible for the focus on fish and seafood safety. Growing acceptance of raw fish has prompted awareness of the accompanying danger of parasitic infection. And, unlike USDA, the National Marine Fisheries Service operates a voluntary rather than mandatory inspection program. A congressionally man-

The National Restaurant Association's on-going consumer research reveals...

- Birthdays are the top restaurant holiday. Over 50 percent of consumers visit a restaurant that day.
- The most popular take out foods are hamburgers, french fries, chicken, and pizza.
- Four out of 10 consumers have changed their dining out habits in response to health and nutrition concerns.
- Italian, Chinese, and Mexican foods rank #1, #2 and #3 as popular ethnic foods in restaurants.
- Soft drinks are the most popular type of beverage ordered at restaurants; coffee is second.
- Consumers are patronizing specialty restaurants more than ever. Four out of 10 consumers have been to an establishment specializing in bakery items, pizza delivery, barbecue, pasta or hot dogs.
- Children and 25 to 34 year olds accounted for 60 percent of the expansion of the takeout market between 1982 and 1986.
- In an average work week 56 percent of adults, age 18 and older, who are employed during the day purchase lunch or eat out at least once.



FOODSERVICE INDUSTRY 1987-1988

1988 Sales	**$213.5 billion**
Units	**619,000**
Employees	**8 million**
Foodservice share of the Food Dollar	**40.8 percent**

National Restaurant Association Pocket Factbook

1987-88 Officers

Michael J. Grisanti
Chairman of the Board and President

Jim L. Peterson
Vice President

Harris H. Rusitzky
Treasurer

Foodservice—First in number of units

Commercial Foodservice	447,000
Institutional Foodservice	171,000
Military Foodservice	1,000

Foodservice sales have risen dramatically since 1970 . . .

Year	Sales (billion $)
1970	$ 42.8
1978	97.6
1980	119.6
1985	174.8
1988	213.5

Foodservice Sales Projection, 1988: $213.5 billion

	Sales '88 (billion $)
Commercial Foodservice	
Eating Places	$ 138.2
Drinking Places	9.6
Foodservice Contractors	11.6
Hotel/Motel Restaurants	13.8
Other: Retail, vending, Recreation	15.6
	$ 189.3
Institutional Foodservice	
Businesses, schools, hospitals, nursing homes and others which operate their own foodservice	$ [illegible]
Military Foodservice	
Base exchange, officers and NCO club foodservice	$ 1.0

Foodservice—the number one retail employer...

- The foodservice industry employs more than 8 million persons.
- Eating and drinking places are expected to employ 2.5 million more people by the year 2000, generating the largest number of new jobs in any industry.
- By 1995, 1.4 million persons will be employed as fast food preparation and service workers, 2.0 million will work as waiters/waitresses and 1.6 million will be working as chefs or cooks.
- Total annual wages and benefits equal $27 billion for restaurants and lunchrooms and $16 billion for fast food establishments.
- Nearly two-thirds of all persons in foodservice occupations are women and one-fourth are teenagers.
- Eating and drinking places are employing more minorities. Nearly 20 percent of all eating and drinking place employees were black or Hispanic in 1986, up from 15 percent in 1980.

Foodservice is a ladder to management opportunity...

- Foodservice employs more minority managers than any other retail industry.
- Managerial or administrative personnel, employed in eating and drinking places, will increase by nearly 25 percent over the next 10 years.
- Over 533,000 individuals are employed in a supervisory capacity in eating and drinking places, a 44 percent increase since 1980.

Foodservice—An integral part of our nation's economy...

- Foodservice will achieve a real gain in sales of 2.9 percent in 1988.
- Foodservice industry sales equal nearly 5 percent of the U.S. Gross National Product.
- Foodservice sales advanced at a 7.6 percent compounded annual rate between 1980 and 1987.
- The proportion of the food dollar spent on food away from home in 1985 was 40.8 percent, up from 36.0 percent in 1980.
- Food and beverage purchases will total $81.8 billion in 1988.

Foodservice—First in daily customer contact...

- Individuals eat out an average of 3.7 times a week or 192 times a year.
- Per person check averages $3.45.
- More than four out of 10 of all restaurant occasions were for takeout or delivery in 1986. At fast food places, the proportion was 60 percent.
- Lunch is eaten away from home more than any other meal. Over one-half of consumers eat lunch out at least once a week while 49 percent eat dinner out and 18 percent eat breakfast away from home at least once in a seven-day period.
- Men eat out more frequently than women: 4.2 times per week versus 3.4 times.

For further information, contact:
National Restaurant Association
311 First Street, N.W., Washington, DC 20001
(202) 638-6100.

After March 1, 1988 our new address will be:
1200 Seventeenth Street N.W., Washington, DC 20036

Chains and franchises grow in importance...

- Sales at franchise restaurants reached $47.7 billion in 1985, representing 42.7 percent of total eating place sales.
- Companies with more than 100 units accounted for 60 percent of total franchise restaurant sales in 1985, up from 46 percent ten years earlier.
- A total of 61 United States franchise restaurant firms operated over 6100 units on foreign soil in 1985.

Eating and drinking places are mostly small businesses...

- Seven out of 10 units have annual sales less than $500,000.
- Most are single unit operations.
- About one-half of the units are sole proprietorships or partnerships.

dated study of the feasibility and benefits of seafood inspection may result in the creation of a mandatory inspection program in the near future.

Other 1988 federal issues include:
☐ revenue-raising tax proposals
☐ polygraph-testing legislation and
☐ Social Security reform which would eliminate the earnings limit.

Other state and local issues include:
☐ sales tax on services
☐ initiatives to ban the sale of irradiated foods
☐ packaging and litter restrictions and
☐ restaurant ingredient labeling.

Consumer demographics and lifestyles

Changes in consumer demographics and lifestyles affect dining-out patterns. Foodservice operators are finding that current trends are already spawning new concepts and services, influencing the direction the industry will take in upcoming years. Among the key trends are:

Household composition. During the 1980s this country has witnessed a dramatic slowdown in the growth of single-person households. Census Bureau figures reveal that between 1980 and 1987 the number of households consisting of a person living alone increased 15 percent. This is well below the 59 percent rise seen during the 1970s. Furthermore, 1987 marked the first time since 1970 that the number of persons living alone did not increase.

This change is not surprising. Young adults have traditionally been the source of new growth in single-person households. However, the number of 18 to 24-year-olds reached a high of 30 million in 1980 and is now falling. Moreover, the Census Bureau forecasts that the size of this age group will continue declining in the years ahead. Not only are there fewer young adults to set up new households, but also more of them are choosing to live with their parents.

The slowdown in growth of single-person households may affect restaurants because single householders spend a substantial proportion of their food dollar on restaurant meals and snacks and eat out more frequently than do other consumers. However, the trend toward more young adults living at home could prove to be a boost for the industry. These consumers may allocate even more money to restaurant meals because they are not burdened by the cost of maintaining their own households.

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Changes in the structure of family households will likely influence the industry in upcoming years. Although the proportion of families in U.S. households has declined slightly since 1980, family households have accounted for a larger share of total household growth than have nonfamily households, 57 percent versus 43 percent. These proportions were reversed during the 1970s. The maturing of the baby boomers is an obvious explanation for this shift. As young adults in the 1970s, many of these individuals postponed marriage, choosing instead to live on their own. Now that they are older, many are getting married and setting up families.

High divorce rates, changes in childbearing patterns and the rise in the number of working women are altering family structures. Married couple households with no children under the age of 18 are becoming more common. And, in a majority of these households, both spouses are active in the labor force. In fact, roughly 20 percent of all families in this country are two-earner couples with no children. This suggests that while baby boomers are getting married, some may be postponing or foregoing having children.

Children remain an important part of a substantial proportion of family households, but fewer of them are living in married couple households. The number of single-parent households advanced 20 percent between 1980 and 1987. These households now account for 23 percent of all family households with children. In contrast, only 11 percent of all family households with children were headed by a single parent in 1970. Convenience is undoubtedly a top priority of single parents, and growth of these types of households should help drive expansion of fast food and takeout markets.

A majority of children, both those in married couple and single-parent households, have a working mother. According to Bureau of Labor Statistics (BLS) data for 1986, 53 percent of all women with children under age 6 are active in the labor force as are 64 percent of those women with children between the ages of 6 and 17.

Consumers are responding positively to the expansion of takeout options.

Growing importance of the home. A whole host of activities which have traditionally occurred in a commercial setting are now being undertaken in the home. Technological advances have made it possible to watch movies, shop and even work at home. The expansion of takeout services is making restaurant meals more readily available to consumers who want to eat at home. And evidence suggests that consumers are embracing these new options.

A BLS survey reveals that 2.2 million Americans worked exclusively at home in 1985. Of the 1.9 million at-home workers not employed in farming occupations, one-half were employed in service occupations. The data also showed that two-thirds of all at-home workers were women.

The at-home work market will be an interesting one to watch for the restaurant industry. BLS economists suggest that the number of Americans who work at home will likely increase in the future. If that happens, restaurateurs may experience a loss in lunchtime business because working consumers account for a large proportion of all lunch traffic. At the same time, expansion of the work-at-home segment may increase opportunities for home-delivered meals.

Leisure and social activities are also being enjoyed at home. A survey conducted by the Roper Organization indicates that a substantial proportion of consumers prefer to spend time at home. Viewing a movie at home on the VCR was favored over going to a theater by more than 60 percent of the consumers surveyed. A similar proportion said they would rather socialize with friends at home than at a bar, restaurant or club. And more than one-half of survey respondents showed a preference for listening to music and watching a sporting event at home rather than in a public arena. The only activity which a majority of consumers said they would rather do away from home was eating a restaurant meal. Roper researchers suggest, however, that because takeout restaurant fare is limited primarily to fast food, consumers' preferences for dining out may be, in part, a reflection of their desire for greater variety in takeout food. CREST data indicate this may indeed be true since takeout for at-home consumption has grown dramatically in recent years. Customer counts jumped 40 percent between 1982 and 1986. And, the at-home segment now holds a 21 percent share of total industry traffic, up from 17 percent in 1982.

The results of the Roper survey have several implications for the foodservice industry. Consumers, looking for more variety in takeout foods, may welcome full-course meals or gourmet takeout. Midscale and upscale restaurants are in a unique position to fill this need. Already, delivery systems for groups of independent tableservice restaurants are springing up in several metropolitan areas. In addition, as consumers choose to do more at-home entertaining, the demand for catering will likely increase.

Nutrition and health issues. Consumer awareness of nutrition will be sustained in 1988. Food manufacturers are increasingly using nutrition to sell their products, and this approach is likely to intensify. The FDA has proposed a regulation that would permit not only nutrition messages but also health claims on food products. Currently, only statements about the nutrient (i.e., fat, calcium, etc.) content of food products are allowed, prohibiting claims made about the benefits of food in reducing the risk of disease development. The proposed policy would allow manufacturers to inform customers about health benefits using disease-related statements on foods.

Survey results show that consumer nutritional concerns remain focused on

How the composition of U.S. households has changed over the past 10 years

	Proportion of U.S. households 1977	 1987
Family households	76%	72%
• Married couple only	30	30
• Married couple with children under 18	34	28
• Single parent with children under 18	7	8
Non-family	24	28
• Living alone	21	24

Source: U.S. Bureau of the Census, 1987

Preferred location for certain leisure activities

Activity	Proportion* At home	 Away from home	 Not interested/ Don't know
Watching movies	65%	30%	5%
Listening to music	52	34	15
Socializing with friends	60	34	6
Watching sporting events	51	30	19
Dining (takeout)	25	69	7

**Proportion of consumers who prefer to engage in the activity at/away from home most of the time.*

Source: *The Public Pulse,* March 1987, The Roper Organization cholesterol, fat, salt, sugar and calories. Nutrients that will dominate consumer interest in the coming year are fats, cholesterol, fiber and alcohol. The government's Cholesterol Education Campaign is focusing its efforts on diet modification. This will increase public awareness of the relationship between dietary fat and cholesterol and the risk of heart disease. The National Cancer Institute's aggressive public education efforts will motivate food (especially cereal) manufacturers to continue touting the fiber content of their products.

Proportion of U.S. households that own microwave ovens, VCRs

Microwave	62%
VCR	41
Microwave and VCR	32

Source: NPD CREST, 1987

According to a 1987 National Restaurant Association survey, people are drinking less alcohol when dining in restaurants. And, about one in five individuals are ordering less alcohol for health reasons.

The proliferation of wellness centers around the country will have a greater effect on consumers' food choices. Targeted at professional workers, wellness centers evaluate health status and teach participants how to modify their lifestyles in pursuit of disease prevention. Diet, of course, plays a primary role in the process, and intense instruction in dietary improvement is provided. One successful Denver-based wellness center has even developed a restaurant program to help its graduates maintain wellness diets when dining out.

Immigration. Immigration to the United States during the 1980s has outdistanced the pace set during either of the previous two decades. In 1985 some 570,000 immigrants legally entered the United States. The majority of the new arrivals today come from Latin America and Asia. These individuals and their descendants are expected to have a substantial effect on American culture in the future because both ethnic groups are forecast to grow at a faster rate than both the white and black segments of the population. According to the Population Reference Bureau, Hispanics will comprise 15 percent of the total U.S. population by 2020, and Asians will account for 6 percent, up from 7 percent and 2 percent, respectively, in 1980.

As their numbers increase, so will their influence on American tastes, attitudes and behavior. Within the foodservice environment, this is already evident in the growing popularity of Asian and Latin cuisines. In addition, some foodservice companies, especially those operating in areas with high concentrations of Hispanics and/or Asians, such as California and New York, are beginning to target market research and advertising toward these groups.

Mature Americans. The number of Americans over the age of 55 will continue to increase during the upcoming decade, reaching 59 million by the year 2000. Today's older consumers are markedly different from previous generations. They are healthier, more active and enjoy relatively high standards of living. They like to travel and engage in a variety of other social and leisure activities, including dining out. According to BLS's Consumer Expenditure Survey, mature consumers are allocating a larger proportion of their total food budget to restaurant meals and snacks. An exclusive National Restaurant Association CREST survey shows that traffic counts for those between the ages of 55 and 64 climbed 4 percent between 1982 and 1986, while counts for the 65-year-old and older group advanced 14 percent. Overall, industry traffic grew 11 percent during this period.

How children affect food spending

	Change in spending*	
Age group	**Food at home**	**Food away from home**
Under 5	$ 7.52	– $4.13
5 to 9	6.58	– 1.42
10 to 14		
male	9.74	– 2.47
female	6.56	1.00
15 to 19		
male	10.91	– .63
female	6.47	– 1.21

**Change in average weekly spending associated with an additional person in the average consumer unit of 2.6 persons*

Source: Bureau of Labor Statistics

Operators in all segments are being challenged to meet the unique foodservice needs of older consumers. Association research shows that older patrons are attracted to establishments serving good food at reasonable prices. They enjoy a relaxed atmosphere and friendly attentive service. And, while their nutritional concerns are not that different from other population groups, they express greater interest in foods that are low in fat, cholesterol and salt.

Children. Restaurateurs are turning their attention to children. The size of this market is growing, from 45 million under the age of 13 in 1986 to a projected 48 million in 1990. Children play an important role in dining-out decisionmaking, especially in selecting the type of restaurant to patronize. In a 1982 National Restaurant Association research study, 26 percent of children age 12 and under and 32 percent of teens influenced the selection of the restaurant. Their voice was even louder when the decision concerned fast food establishments. Changes in family demographics, such as the decline in family size and the rising numbers of dual-income and single-parent families, may mean children will consume more restaurant-prepared meals in the future.

An exclusive National Restaurant Association CREST survey shows children's usage of restaurants is already on the upswing. Between 1982 and 1986, traffic for children under age 18 at all restaurants increased 23 percent—double that registered for all other age groups combined. And while quickservice

Midscale and upscale restaurants are in a unique position to capitalize on the desire for more variety in takeout.

restaurants continue to capture the largest share of children's visits, traffic for children increased at both midscale and upscale restaurants during the same time period. Furthermore, children under age 18 are playing a significant role in the expansion of the takeout market. According to the CREST data, they account for 33 percent of the total increase in takeout traffic in the industry between 1982 and 1986.

According to a special tabulation of data collected in BLS's 1984 Consumer Expenditure Survey, the addition of a child to the average household of 2.6 persons causes spending for restaurant meals to decline. On the other hand, the amount spent by the household for food at home rises. For example, if a child under the age of five joins the average household, spending for food at home increases by $7.52 while the amount spent on food away from home declines by $4.13. Thus, the projected increase in the number of children represents a challenge to the ingenuity of restaurants.

Industry trends

Takeout continues to be one of the biggest opportunity areas in all segments of the industry, and consumers are responding positively to the expansion of takeout options.

Takeout. American consumers' thirst for takeout restaurant meals and snacks has not been satiated. CREST data reveal that customer counts for off-premises dining at all restaurants rose at a faster clip than on-premises dining in each of the first three quarters of 1987. The majority of all takeout meals are purchased at quickservice restaurants, and this segment has posted healthy gains in takeout traffic over the past year. And while takeout is less prevalent in the midscale and upscale segments, these operators are beginning to penetrate the off-premises market. As quickservice operators experiment with double drive-thru units, kiosks, mobile units and delivery, midscale and upscale operators are adding special takeout menus, takeout food shops, off-premises catering services and even delivery in an effort to capitalize on the growing demand.

Consumers are responding positively to the expansion of takeout options. Carryout, the dominant form of takeout, has been losing market share to both drive-thru and delivery. Drive-thru captured 31 percent of all takeout occasions during 1986—up slightly from 30 percent in 1984. Delivery is coming on strong as well. Seven percent of all takeout occasions in 1986 were for delivery, compared to 4 percent in 1984. Nevertheless, carryout is still responsible for more than 60 percent of occasions.

Results of an exclusive National Restaurant Association CREST survey offer insights into who uses takeout and why it is growing in popularity. Children under the age of 18 and adults age 25 to 34 are among the heaviest users of takeout. More than one-half of all restaurant visits by each of these groups are for takeout. Moreover, these two groups are fueling the expansion of the takeout market for restaurant meals. Together, they accounted for 60 percent of the total increase in takeout traffic recorded between 1982 and 1986.

Percent change in traffic for on and off-premises dining (1987)

	Winter		Spring		Summer	
	On Premises	Off Premises	On Premises	Off Premises	On Premises	Off Premises
All restaurants	**2.3%**	**4.4%**	**−2.5%**	**9.8%**	**3.1%**	**4.3%**
Quickservice	4.9	4.5	nc*	8.7	5.7	4.8
Midscale	0.2	0.2	−5.4	16.2	nc*	−0.8
Upscale	−0.4	20.1	−0.8	23.9	1.7	7.7
Breakfast	6.4%	−1.7%	−3.5%	1.0%	−1.2%	−5.6%
Lunch	1.5	4.7	−1.8	9.9	4.2	7.4
Dinner	2.4	8.9	−2.3	15.4	4.5	7.9

**nc No change*

Note: Percent change is over same period of the prior year

Source: NPD CREST, *Household Report*, Winter 1986-Summer 1987

1988 operation costs

Food costs. Menu prices are expected to advance 4.2 percent in 1988, slightly below the projected rate of increase for the overall Consumer Price Index (CPI). During 1987, menu prices increased a lower 4.0 percent.

Moderate increases in food costs are keeping menu prices down. Wholesale food prices should increase only 1.6 percent in 1988, down from the 2.0 percent gain in 1987. USDA forecasts an excellent corn crop for 1988, which is likely to keep feed and meat prices low. Broiler and pork production have risen through this year and will continue to expand in 1988. Beef prices, higher this year than last, should stabilize in 1988.

Labor costs. Industry labor costs are forecast to advance 4.0 percent in 1988, following a 3.6 percent increase this year. Low unemployment rates, combined with a continuing decline in the number of teenagers in the labor force, should exert upward pressure on wages in 1988. The fast food sector, a heavy user of teenage labor, has been especially hard-hit by the shrinking labor pool. In areas of low unemployment, starting hourly wages have

(cont'd. on page 29)

The reason these two demographic segments use takeout can be summed up in one word—convenience. A majority of 25 to 34-year-olds live in dual-income households. In addition, many of them are parents of young children. The demands associated with career and family leave little time for cooking. Purchasing restaurant meals to go gives these adults more time to spend at work or with their families. Moreover, some parents, especially those with young children, undoubtedly prefer dining in the relaxing atmosphere of their own homes rather than inside a restaurant.

Convenience and grocery stores. Retail stores are heating up competition too. Packaged meals and snacks are blurring traditional lines between restaurants and convenience and grocery stores. CREST data reveal that traffic at retail quickservice establishments increased at a double-digit pace during each of the first three quarters of 1987.

Takeout is the area where grocery and C-stores are making the greatest inroads. Although they do not hold a dominant position in the takeout market, retail outlets accounted for 7.9 percent of total quickservice takeout traffic in the 1987 summer quarter, up from 6.8 percent the previous summer.

According to *Convenience Store News* magazine, a vast majority of all traditional C-stores sold coffee (99 percent), carbonated/noncarbonated fountain beverages (85 percent), donuts/pastries (77 percent) and hot packaged sandwiches (72 percent) in 1986. A substantial proportion included hot dogs (48 percent), fresh deli sandwiches (41 percent), fresh baked goods (40 percent) and pizza/Italian food (36 percent) among their foodservice selections.

Grocery stores are also upgrading and expanding their foodservice offerings. A survey conducted by Nielsen Marketing Research for *Progressive Grocer* magazine showed that 81 percent of all chain grocery stores with an annual sales volume of more than $2 million had a service deli in 1986—up from 76 percent in 1985. More than seven in 10 of these stores offered cold food preparation on the premises and a similar proportion prepared hot foods.

Among the items most widely available at these service delis in 1986 were: hot poultry (69 percent), cold-prepared sandwiches (64 percent) and hot ribs (48 percent). Nearly 80 percent of the stores with service delis were involved in catering, and 53 percent did custom cooking.

(cont'd. from page 28)

risen dramatically to attract workers. Employee benefits, a growing cost component, have also increased as operators improve benefits to recruit and retain workers.

To meet the challenge of a shrinking pool of labor, alternative sources of labor have been tapped, including older workers, minorities and adult males. In addition, incentives have been developed to aid in employee retention. Training programs have received increased attention, not only to improve job performance, but also to foster personal growth.

At the same time, the industry has sought to improve labor efficiency through equipment and design. Double drive-thru windows, self-service soft drink fountains and electronic cash registers have all been installed to increase productivity. As wages rise further, operators are likely to invest in other labor-saving innovations.

Other costs. Other costs should increase 4.6 percent in 1988, above the 4.0 percent rise in 1987. Interest rates, advertising expenses, repairs and insurance are all expected to stimulate increases in overhead costs. Electricity prices, however, should remain steady.

Food and beverage trends

The fiercely competitive nature of today's foodservice environment is affecting the way operators are responding to changing tastes. While menus continue to evolve, changes seem to be coming at a less fevered pace. More attention is being given to the effect of long-term trends, such as interest in healthful foods, ethnic cuisines and convenience and less to short-lived fads. The key focus seems to be to provide consumers with a variety of quality items to choose from.

Poultry. According to CREST *Household Report* data, between 1982 and 1986 orders for poultry items in restaurants rose 22 percent. Per-capita poultry consumption has been rising steadily. Increased production, relatively low market prices and consumer interest in health and nutrition should help maintain poultry's upward momentum. To capitalize on the growing interest in poultry, chefs are creating a whole host of new selections.

Beef. Concerns over cholesterol and fat have led consumers to decrease their consumption of beef. Per-capita consumption declined about 5 percent in 1987 and, according to the USDA, it is expected to slip another 4 percent in 1988. CREST data indicate orders for beef are down 13 percent since 1982.

Operators have been and are continuing to be responsive to these shifts in demand. Those with beef or red meat-based menus are expanding their options. Fast food burger places now feature chicken and salads. Midscale steakhouses have added poultry and seafood dishes to round out their menus. And in the upscale steak segment smaller portions and leaner versions of signature items are appearing on menus.

Beef, however, is not about to disappear from restaurant menus. Some suggest that as consumers eat less beef at home, they will seek beef-based dishes when dining out. In addition, beef producers are fighting back. An aggressive marketing campaign to upgrade beef's image was launched in 1986. A substantial proportion of the advertising and promotional dollars is being concentrated in the foodservice sector. Recipes for salads, appetizers and light entrees are being distributed to foodservice professionals to encourage them to experiment with beef.

Use of takeout at restaurants by age group

Age of eater	Percent of occasions on which takeout is used	Share of total takeout traffic*
Under 6	54%	8%
6 to 17	53	16
18 to 24	54	10
25 to 34	52	27
35 to 44	45	18
45 to 54	34	10
55 to 64	27	7
65 to 74	20	4
75 and older	21	1

**Total may not add to 100% due to rounding*

Source: National Restaurant Association CREST Survey, 1987

Per capita consumption of poultry and beef

	Beef*	Poultry*
1984	78.5	66.9
1985	79.1	70.1
1986	79.8	72.5
1987^F	75.8	78.0
1988^F	73.0	82.8

*in pounds
F = Forecast
Source: *U.S. Department of Agriculture*

Likelihood of ordering beverages in restaurants

Beverage	Proportion*
Nonalcoholic cocktails	22%
Nonalcoholic wine	17
Nonalcoholic beer	13
White wine	66**
Red wine	51**
Champagne	40**
Wine coolers	38**

**Proportion saying they are very or somewhat likely to try the beverage*
***Among those who drink alcoholic drinks away from home*
Source: *Beverage Preferences: A Consumer Attitude Survey*, National Restaurant Association, 1987

Pork. Producers are also waging a campaign to improve pork's image in the public's eye. Pork producers are marketing leaner cuts of pork and are illustrating a variety of ways to utilize it in recipes. Again, foodservice operators are being lobbied to expand pork's presence on menus.

Seafood. Another menu item that has benefited from the trend toward healthful eating is seafood. And, the introduction of ethnic and regional American cuisines that rely heavily on seafood, such as Asian and Cajun dishes, is furthering its position on restaurant menus.

Wholesale prices for fish rose at a slower pace in 1987 than they did in 1986, and this pattern is likely to continue next year, making seafood even more attractive to restaurateurs. Tight supplies of some familiar species will likely focus more attention on lesser known varieties.

Convenience. Convenience continues to be a top consumer priority, and operators are finding new ways to satisfy this craving. Miniature and hand-held foods are making their way onto menus of fast food places—perfect for consumers who eat on the run. As operators recognize consumers' ever-pressing need to transport restaurant meals to other locations, prepackaged salads are replacing the salad bar at many fast food restaurants.

Food bars. The salad bar may be disappearing from some fast food outlets, but it is finding a new home in many midscale and specialty restaurants. In fact, some operators are marketing food bars as alternatives to the usual fast food lunch. They are experimenting with food bars that feature salad ingredients, pastas, soups, desserts and even some main dish entrees, hoping to tap into the desire for fresh foods, variety and value.

Ethnic/regional fare. Ethnic and regional American cuisines continue to become more prevalent. And this increase has not been limited to just one segment of the industry. CREST data reveal that orders for Asian and Mexican foods have risen dramatically since 1982 in all segments.(The only exception is Mexican dishes within the midscale segment.) As American diners have become more adventurous, tacos, fajitas and egg rolls are among the foods that have moved into mainstream America. Moreover, as consumers become more familiar with the flavors of ethnic foods, operators are blending the best of different cuisines to create new taste sensations.

Growing interest in ethnic foods has wrought other changes. Ingredients that form the backbone of many ethnic cuisines are quickly catching on or being rediscovered. For example, grains such as rice are becoming more popular and are being offered as more than just main-dish accompaniments in restaurants. Fresh vegetables, including some lesser known varieties, are in the spotlight. And because the emphasis in many ethnic cuisines is on creating a unique balance of flavors, American chefs are using herbs, spices and special sauces more than ever before.

The simple preparation techniques used in many ethnic traditions are being borrowed by foodservice professionals as well, such as stirfrying, grilling and steaming. The emphasis is on utilizing basic ingredients and cooking methods to prepare appetizing, healthful meals.

Beverages. Consumers' away-from-home beverage choices are also changing. Shifts in tastes and attitudes are dampening demand for some types of liquid libations while others are enjoying increased popularity.

National Restaurant Association research suggests that the decline in alcoholic beverage consumption away from home seems to have bottomed out. The slowdown has created new opportunities for marketing nonalcoholic beverages. Twenty-two percent of consumers surveyed in the National Restaurant Association study, *Beverage Preferences: A Consumer Attitude Survey*, said they were interested in trying nonalcoholic cocktails. Younger consumers were especially enthusiastic.

Operators who have or are developing wine lists, wine tastings and wine-by-the-glass programs as well as those instituting server training programs are recognizing the profit potential in merchandising wine. A substantial proportion of consumers surveyed by the National Restaurant Association expressed a willingness to try various types of wine. Moreover, 60 percent of consumers who drink wine away from home said the decision to drink wine at a restaurant is largely a spontaneous one, suggesting that operators have a significant opportunity to influence consumers' choices at restaurants.

Consumers' taste for coffee, especially regular coffee, is waning, while tea consumption is on the rise. CREST data reveal that orders for coffee declined by 5 percent between 1982 and 1986. Regular coffee posted a 15 percent drop in total orders, but orders for the decaffeinated version more than doubled. National Restaurant Association research suggests these trends are likely to prevail in the future. Younger consumers are less likely than older patrons to order coffee when dining out. Of those consumers who do drink coffee at restaurants, nearly 90 percent agreed that restaurants should offer a decaffeinated alternative. Furthermore, instant decaf will no longer satisfy patrons; 76 percent of coffee drinkers polled said restaurants should provide brewed decaffeinated coffee.

According to CREST data, orders for tea advanced 11 percent between 1982 and 1986, with orders for iced tea making the biggest jump—16 percent. Younger consumers are driving expansion of tea, both hot and iced. Although demand for decaffeinated tea is not nearly as strong as for decaffeinated coffee, 26 percent of consumers surveyed in *Beverage Preferences: A Consumer Attitude Survey* expressed interest in trying caffeine-free iced tea, and 18 percent said they would give decaffeinated hot tea a try.

Frozen food makers are aggressively marketing an array of new breakfast treats. Consumer spending for these items is rising—up 18 percent over 1985.

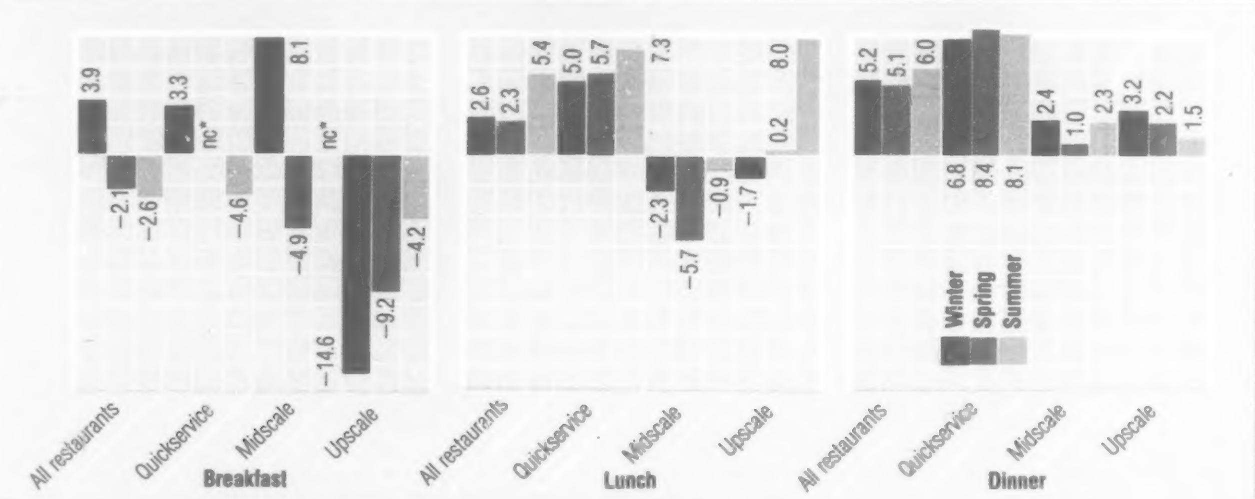
Meal period update

Breakfast. After several years of dramatic growth, the breakfast market leveled off in 1986, posting a 1.9 percent decline in total customer counts. The sluggishness that gripped the market in 1986 continued through most of 1987. The 3.9 percent gain in customer counts seen in the 1987 winter quarter was the only positive gain registered during the first three quarters of the year. The slowdown at breakfast appears to have penetrated all segments.

Competition for customers at the morning meal has gotten tougher and indications are that these conditions will prevail during the upcoming year. Although restaurants have made significant inroads into the breakfast market, eating the morning meal continues to be largely an at-home activity. NPD research shows that more than 20 breakfasts are consumed at home for every one that is eaten at a restaurant. Moreover, frozen food manufacturers are working harder than ever to keep consumers at home in the morning. Responding to the growth in microwave oven ownership, frozen food makers are aggressively marketing an array of new breakfast treats. Consumer spending for these items is rising. According to *Supermarket Business* magazine's Consumer Expenditure Study, consumers spent $394 million in 1986 on frozen breakfast entrees—up 18 percent over 1985.

Although the breakfast market is tight, opportunities do exist. Takeout appears to be one of them. In 1986, off-premises traffic provided the only source of positive growth at the morning meal. Developing more appealing breakfast items that consumers are unlikely to make at home is another method operators can use to boost breakfast traffic in 1988.

Percent change in traffic by meal periods
(1987)



nc = No change **Note:** Percent change is over same period of the prior year **Source:** NPD CREST, *Household Report*, 1985-Summer 1987

Lunch. With more than 100 million adults employed during the day and a projected increase of 2 million more next year, the lunch market is a promising one, but the competition is fierce. Customer traffic at lunch rose by more than 1 percent in 1986, and it has posted positive increases in each of the first three quarters of 1987. The largest gain came in the 1987 summer quarter when customer counts advanced a healthy 5.4 percent.

Quickservice restaurants continue to be the most frequent choice of lunchtime patrons, and these establishments registered substantial increases in traffic during 1987. Upscale operators are experiencing some small gains in customer counts at lunch, but midscale establishments are suffering. Traffic at midscale restaurants has been declining steadily for several years.

Consumers' desire for convenience may be one reason why midscale and, to some extent, upscale operators are struggling at lunch. More consumers are choosing to eat lunch off-premises. Thirty-eight percent of all lunchtime eater occasions occurred off-premises in the 1987 summer quarter, and takeout traffic at lunch was up 7.4 percent over the prior year. Quickservice restaurants are clearly in the best position to cater to this trend. Prepackaged salads, mini-versions of signature menu items and pizza-by-the-slice are among the items fast food feeders are using to capture lunchtime business.

Midscale operators, however, are determined not to be left behind. Some establishments have launched express lunch programs while others are installing giant salad/food bars to get customers in and out in a short period of time. Midscale operators are expanding takeout options and improving efficiency of this service to boost lunchtime traffic. Takeout is also becoming an increasingly popular way to lure lunch customers to upscale restaurants as is the practice of offering lighter menus.

Dinner. The dinner hour has been the strongest of the three main meal periods in recent years. According to CREST *Household Report* data, traffic at dinner advanced 4.8 percent in 1986 and increased by 5 percent or more during each of the first three quarters of 1987. All segments of the industry enjoyed growth at dinner in 1987, with quickservice posting the largest gains.

Consumers are choosing to eat more restaurant-prepared dinners off-premises. A vast majority of the growth in dinner traffic in 1987 traces to increases in the use of takeout. Takeout traffic rose by 8 percent or more in each of the first three quarters of the year. Customer counts for on-premises dining rose by 2.4 percent in the winter, declined by a similar margin in the spring and posted a 4.5 percent rise in the summer of 1987.

This shift towards more off-premises dining in the evening clearly suggests consumers no longer view commercially prepared dinners as solely discretionary purchases. The rising number of two-earner and single-parent households is undoubtedly largely responsible for this change. These busy adults have little time or desire to prepare home-cooked meals as they juggle the many demands associated with work and family. Moreover, consumers are spending more and more of their leisure time at home watching movies on their VCRs and entertaining family and friends.

The impulsive dinner market

Recent focus group research conducted by the National Restaurant Association suggests that decisions about dinner are usually made spontaneously. They are impulsive decisions. People are busier than ever, doing more and more things with their time, so it isn't surprising that fewer dinners are "planned."

Focus group discussions concerning dinners prepared at home versus dinners provided by foodservice suggest dinner has different meanings for different people.

At one end of the scale are people who take a traditional view of dinner and routinely devote predictable amounts of time and planning to the meal. At the other extreme are those who are unpredictable. These people do not display any routinized dinner behavior.

The people with a more traditional view of dinner appear to have fewer options than those who display less predictable behavior.

Thus, different people make decisions about dinner from a narrower or wider range of options and the process of decisionmaking can be very different depending on how many behavior options a person has.

According to this exploratory research, restaurant dinner decision-making has four different points of departure:

☐ Do I (or does he/she) deserve a treat or reward?

☐ Is everyone getting something to eat?

☐ What are you in the mood for?

☐ How hungry am I?

Industry marketing and markets

As a more mature industry, foodservice is characterized by a slower rate of sales growth and increased competition. Operators are taking steps to attract consumers through advertising and promotions, by opening new markets and by offering new services.

Advertising and promotions

Although word-of-mouth continues to be the most important way consumers find out about restaurants, market savvy firms are gearing up to spend more dollars than ever as they go after a greater share of consumers' restaurant dollar. After spending a record $1.2 billion on television advertising during 1986, for example, restaurant chains have outpaced that amount through the first half of this year.

Television has become an important aspect of promotion for large restaurant chains. Nowhere can the power of television advertising be better seen than in what has been termed media-driven products. These products experience strong sales as long as they are heavily advertised on television. Without accompanying advertising, sales drop off significantly, illustrating the products'extreme dependence on the media. Although only a relatively small number of chains are big enough to use television advertising effectively, restaurateurs are devoting more time and money to advertising and promotions as the battle for market share heats up in a growing number of areas throughout the country. TV, radio and print dollars are up, and the National Restaurant Association's Annual Operating Ratio Survey shows that there has been an above-average increase in spending for advertising and promotions.

Where does the industry's advertising go? A National Restaurant Association Gallup survey shows that in 1987 newspapers were the most popular form of advertising, used by 70 percent of restaurant establishments. According to a recent Roper survey, 29 percent of consumers say they get information about restaurants from newspaper advertising, making this advertising vehicle the one that consumers say they notice most. Following newspapers, the next most common means of advertising in 1987 is sponsorship of a community event.

Based on the association's Gallup survey of restaurant operators, advertising will increase again in 1988, although the majority of operators say they will hold the line on spending. About 25 percent of establishments expect to increase their budgets for advertising and promotions, 58 percent plan no change, and 4 percent plan a decrease. In addition, 13 percent do not know if they will increase their budget in 1988.

The only significant difference in planned spending for 1988 occurs by type of ownership. While 41 percent of chain/franchise establishments anticipate increased expenditures for advertising and promotions, a much smaller 21 percent of independents are planning an increase.

Opening new markets

The search for markets, whether they are new geographic regions or new customers, can reward innovative restaurant operators.

A significant development in the foodservice industry is the increased importance of convenience. The demand for fast, efficient and hassle-free service has fueled mobile foodservice units, fast food kiosk operations, home delivery and carryout. The importance of takeout and delivery to foodservice is best exemplified by its effect on total industry growth. According to CREST data, off-premises dining accounted for all of the increase in the number of eater occasions between spring 1986 and spring 1987. On-premises eating occasions actually declined during that period. Following the lead of pizza restaurants, operators in other segments are experimenting with takeout, setting up telephone lines for call-in orders and making room for takeout counters. Delivery is not for everyone, however. Some operations have dropped newly instituted delivery programs because the effort proved to be too costly.

The popularity of drive-thrus and the development of double drive-thru windows for even faster service have been other market developments. By offering lower than prevailing fast food prices and quick service, fast food kiosks and miniature operations, such as small drive-thru stands, are attempting to satisfy changing consumer needs.

Other operations have gone a step farther, actually bringing the kitchen to the customer. Mobile units, which act as roving delivery substations, are appearing on the foodservice scene, baking pizzas en route to fill phoned-in orders. Still others—from midscale operations to upscale white tablecloth establishments—have transported their kitchens through catering.

Other innovations are under way as well. New packaging is one such effort. Specially designed containers ease the transport of carryout food and minimize the difficulties of eating on the run. Things are changing inside restaurants too. Fast food chains are experimenting with automatic teller machines (ATMs), allowing customers ready access to cash or, in some cases, actually facilitating a direct transfer of payment from a consumer's checking account to the restaurant's bank account.

Expansion

Some restaurant chains are using acquisitions to increase market share, avoiding the risk associated with starting up new units. In an analysis of merger and

Food technology

Recent advances in food technology have resulted in products that directly compete with foodservice, especially the booming takeout market. Manufacturers, capitalizing on consumers' preference for "fresh" products, are rushing to produce prepared, refrigerated meals designed to compete with fast food and restaurant takeout items.

Manufacturers are hiring chefs to participate in product development and are using high-quality, fresh ingredients. Innovations in processing technology are improving the taste, texture and color of refrigerated meals. Packaging technology is producing longer shelf life, up to 21 days in some products, without compromising quality.

Another innovation—shelf-stable, microwavable meals—began to appear late this year and is likely to increase in popularity through 1988. The retort process, traditionally used for canned foods, is now applied to foods and meals in packages designed for the microwave oven. The result is a microwavable meal that needs no refrigeration or freezing. These products may cut into lunch business at quickservice restaurants by providing office workers with a convenient alternative.

Food technology also results in product development that benefits the foodservice industry. Agricultural research scientists are investigating the browning process in cut fruits and vegetables. Identification of compounds that prevent this reaction is expected to result in the development of an effective, safe sulfite alternative. Other related innovations should result in methods that keep produce fresh longer, such as shrink-wrapping produce at point of harvest in semiporous plastic films and the use of naturally existing organisms to prevent the growth of harmful bacteria

New products on the horizon that may be useful in foodservice operations include carbonated milk, breakfast soups and gourmet condiments. Carbonated milk, developed by using soft drink technology, is skim milk with added carbon dioxide. Because it does not taste like milk, the carbonated variety, which can be flavored, will likely be marketed to adults seeking high-calcium milk alternatives.

acquisition transactions between 1984 and 1986, Laventhol & Horwath, an international accounting firm, found that more than 50 percent involved expansion through the purchase of existing restaurant concepts. In 1987, however, the frantic pace of acquisitions lessened as chains paused to digest their new additions and consolidate operations.

1988 projected change in advertising, promotion budget

	Total	Chain/ franchise	Independent
Increase	25%	41%	21%
No change	58	41	63
Decrease	4	1	5
Don't know	13	17	11

Source: National Restaurant Association Gallup Survey, 1987

Since real estate costs remain high and the number of prime restaurant locations is limited, some operators are turning to alternative building sites. Conversions, which involve redesigning existing structures to accommodate new concepts, have become a common method of unit expansion. These transfers should contribute to improved unit sales as sites eventually end up in the hands of the most efficient concept for a specific market. Conversions have also helped avoid the high cost of construction. Fast food kiosks offer another approach to reducing construction costs because of their smaller size, while mobile units avoid the building site problem all together.

Larger restaurant chains continue to be interested in foreign markets which offer the lure of potential sales growth and expansion opportunities. In addition to Canada and Europe, these chains have been targeting the Pacific Basin, where fast food has gained increasing consumer acceptance. The growth of units in Asia since 1975 has been staggering. A few large restaurant chains have even made inroads into Eastern Block nations, including the Soviet Union.

Eating places

Eating places comprise two-thirds of total foodservice industry sales. Sales in this segment hit the $128.6 billion dollar mark in 1987, and they are forecast to reach $138.2 billion in 1988—a 7.5 percent increase. After adjusting for menu price inflation, eating place sales are expected to advance 3.3 percent in 1988.

Eating places enjoyed the benefits of moderate economic growth in 1987. Many of the same conditions should help support growth in 1988. Consumer confidence, which started out the year at levels below 1986, rose throughout much of 1987. Positive gains in employment and disposable personal income helped spur spending for restaurant meals. CREST data reveal that traffic at the nation's restaurants posted positive gains in each of the first three quarters of 1987. The quickservice segment continued to lead the others in traffic growth. Customer counts at both midscale and upscale restaurants have been somewhat flat, but this is relatively good news compared with the recent past when traffic in these segments was declining. This same pattern is expected in 1988. There should be a slowdown in the rate of unit expansion in 1988. But at the same time, a slight upswing in consumer spending should boost sales at eating places in the year ahead. Competition will remain intense, and advertising and promotion budgets for some will expand in 1988 as operators struggle to maintain awareness among a fickle consumer base. In an effort to further penetrate existing markets and enter new ones, operators are expected to look more to conversions and upscaling their decor.

Well-executed concepts that meet the needs of consumers will grow stronger in the year ahead, while those that are ill-defined will lose more ground. Overall, operators will have to fine-tune operations to adapt to a changing market and meet consumers' demand for high-quality food and service.

Fast food continues to outpace industry

Fast food restaurants are expected to register another year of healthy growth. Sales at limited menu restaurants are forecast to reach $60.4 billion in 1988—an 8.5 percent increase over 1987. Adjusted for menu price inflation, this represents an increase of 4.3 percent, higher than the 4.1 percent pace set this year and above the 2.9 percent real growth forecast for the industry overall.

Although limited menu restaurants should experience steady sales gains in the years ahead, it is unlikely that future increases will be as dramatic as in past years. Several factors are converging to restrain overall growth. Unit expansion, which had proceeded at a rapid pace, is slowing as some markets reach saturation points. Moreover, fast food restaurants' prime customers, teenagers and young adults, are declining in numbers, and convenience and grocery stores are muscling their way into the market by expanding and upgrading their foodservice offerings.

Fast food restaurants will continue to grow by responding to changes in the market. As they struggle to expand existing territories, operators are exploring options such as mobile units, double drive-thru units and conversions. To serve their older, more sophisticated customer base, fast food operators are testing new menu items to provide patrons with more variety. Renewed emphasis is being given to food quality and efficient service. And more money is being spent to upgrade facilities.

This segment's most potent weapons are its marketing expertise, convenient locations and ability to fulfill consumers' demand for takeout foods. Sophisticated marketing tactics, hefty advertising budgets and exciting promotional campaigns will help keep fast food uppermost in the minds of convenience-conscious consumers.

Fullservice restaurant sales to reach $70.6 billion

Restaurants and lunchrooms, which account for one-third of total foodservice industry sales, are expected to post sales of $70.6 billion in 1988—up from $66.1 billion this year. In inflation-adjusted dollars this represents a 2.5 percent advance, slightly higher than the 2.3 percent real increase seen in 1987.

Consumers are expected to spend more than ever on restaurant meals in 1988. Slightly lower taxes and a slowdown in spending for durable goods should aid consumers' budgets. In addition, more Americans are expected to be wage earners next year.

The operating environment in 1988 will not be that different from the one seen in recent years. Competition will continue to be intense. Concepts that do not fit in with the times will continue to struggle. Today's more sophisticated patron has high standards for quality of food and service. A well-trained staff will be crucial to an establishment's success. Patrons expect employees to be honest, friendly, professional and well informed. Consumers are looking for something new and exciting. In addition, takeout and home delivery will play a larger role in this segment.

Restaurants will have to market themselves more aggressively in the increasingly crowded foodservice environment.

Eating place sales: $138.2 billion

	1985 Estimated F&D sales ($000)	1987 Projected F&D sales ($000)	1988 Projected F&D sales ($000)	1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
Total eating places	**$ 111,598,208**	**$ 128,568,470**	**$ 138,211,105**	**7.5%**	**3.3%**	**7.4%**
Restaurants, lunchrooms	58,444,122	66,142,507	70,574,055	6.7	2.5	6.5
Limited menu restaurants, refreshment places	47,190,521	55,671,888	60,424,713	8.5	4.3	8.6
Commercial cafeterias	3,286,108	3,678,338	3,913,752	6.4	2.2	6.0
Social caterers	1,301,600	1,490,197	1,600,472	7.4	3.2	7.1
Ice cream, frozen custard stands	1,375,857	1,585,540	1,698.113	7.1	2.9	7.3

Sales to climb 7.1 percent at ice cream and frozen custard stands

Ice cream and frozen custard stands will record another year of substantial growth in 1988 as sales climb 7.1 percent to $1.7 billion. When adjusted for menu price inflation, sales at ice cream and frozen custard stands are forecast to rise 2.9 percent in the upcoming year—below the 3.3 percent real growth seen in 1987. A slowdown in new store openings by some chains in this segment is expected to restrain growth next year.

Brighter outlook for commercial cafeterias

Sales at commercial cafeterias are forecast to hit $3.9 billion in 1988, up 6.4 percent over 1987. This represents real growth of 2.2 percent.

The outlook for cafeterias is considerably brighter than it has been in recent years. Operators have responded to patrons' desire for variety and value. Chains are working to upgrade facilities, making units more pleasant and relaxing for customers. These efforts, combined with an improved economy in prime markets across the Southwest, should spur growth.

Sales for social caterers to hit $1.6 billion

Social caterers are holding their own in a market being infiltrated by restaurants and hotels. Sales for this segment should hit $1.6 billion in 1988, up from $1.5 billion in 1987, representing a real increase of 3.2 percent.

The Tax Reform Act of 1986, which limited business meal deductibility to 80 percent, will continue to dampen sales growth for social caterers with the business customer. This effect, however, should be offset to some extent by the return of formal weddings and other social occasions. Consumers with limited time and higher-than-average incomes will be inclined to let caterers plan their social functions.

Bars and taverns to record a 4.5 percent rise in sales

Owners of bars and taverns are putting the days of declining sales behind them. Evidence suggests that the drop in alcoholic beverage consumption has bottomed out and may be rebounding. Sales at bars and taverns are expected to advance 4.5 percent to $9.6 billion in 1988. In inflation-adjusted dollars, this represents a 0.3 percent increase, an improvement over the 0.4 percent decline registered in 1987.

Major market outlook for 1988

The statistical tables in this section provide an in-depth look at 1988 sales projections for eight major foodservice markets. The eating place sector, not included here, is reviewed earlier.

Health care foodservice

☐ Despite lower occupancy rates in hospitals, hospital and nursing home contractors will experience positive real growth in food and drink sales during 1988. Their growth will be spurred by population increases at nursing homes. These contractors are benefiting from hospital and nursing home cost containment and marketing programs which require consistently high-quality meals.

☐ Contractors will capture a larger share of the hospital foodservice market, causing a projected real sales decline for institutional foodservice.

Educational foodservice

☐ At colleges and universities, the student population will decrease by 0.2 percent, with the largest declines in full-time enrollment. The student population is expected to increase 0.6 percent at primary and secondary schools despite declining enrollment at high schools. Participation should be slightly higher in the school lunch program, and no major cuts in the program are expected.

☐ A real decline in sales is expected for institutional foodservice at colleges, universities and primary and secondary schools.

Recreational foodservice

☐ Foodservice sales at recreational

Health care foodservice sales: $12.2 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total health care foodservice	**$ 11,290,411**	**$ 11,795,494**	**$ 12,195,160**	**3.4%**	**-0.1%**	**2.6%**
Contractors in hospitals & nursing homes	1,184,410	1,328,205	1,411,226	6.2	2.0	6.0
Hospitals*	7,104,393	7,195.755	7,368,453	2.4	-1.8	1.2
Nursing homes	3,001,608	3,271,534	3,415,481	4.4	2.8	4.4

**Includes voluntary and proprietary hospitals; long-term general, TB, mental hospitals; and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals*

Educational foodservice sales: $10.0 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total educational foodservice	**$ 8,602,716**	**$ 9,530,689**	**$ 10,004,212**	**5.0%**	**0.1%**	**5.2%**
Colleges & universities						
Contractors	1,738,127	2,032,976	2,201,713	8.3	3.0	8.2
Institutional	3,059,579	3,317,023	3,421,136	3.1	-2.2	3.8
Subtotal	**$ 4,797,706**	**$ 5,349,999**	**$ 5,622,849**	**5.1%**	**-0.2%**	**5.4%**
Primary & secondary schools						
Contractors	886,382	1,011,974	1,086,860	7.4	3.2	7.0
Institutional	2,918,628	3,168,716	3,294,503	4.0	-0.2	4.1
Subtotal	**$ 3,805,010**	**$ 4,180,690**	**$ 4,381,363**	**4.8%**	**0.6%**	**4.8%**

Recreational foodservice sales: $5.7 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total recreational foodservice	**$ 4,936,634**	**$ 5,395,389**	**$ 5,719,841**	**6.0%**	**1.8%**	**5.0%**
Recreation & sports centers						
Contractors[1]	1,319,773	1,503,303	1,611,541	7.2	3.0	6.9
Noncontractors	1,957,118	2,149,356	2,269,720	5.6	1.4	5.1
Subtotal	**$ 3,276,891**	**$ 3,652,659**	**$ 3,881,261**	**6.3%**	**2.0%**	**5.8%**
Clubs[2], sporting and recreational camps	1,659,743	1,742,730	1,838,580	5.5	1.3	3.5

[1] Includes sales at drive-in movies, bowling lanes and recreational and sports centers

[2] A proportion of food and beverage sales in clubs is business-related

Employee foodservice sales: $6.4 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total employee foodservice	**$ 5,586,110**	**$ 6,050,646**	**$ 6,405,468**	**5.9%**	**1.7%**	**4.7%**
Food contractors						
Manufacturing & industrial plants	2,721,072	2,965,661	3,131,738	5.6	1.4	4.8
Commercial & office buildings	894,308	1,064,456	1,160,257	9.0	4.8	9.1
Institutional employee foodservice*	1,970,730	2,020,529	2,113,473	4.6	0.4	2.4

**Includes sales for industrial and commercial organizations, seagoing ships and inland waterway vessels* and sports centers are expected to show respectable growth during 1988, with sales growth by contractors outpacing non-contractors. Sports activities should show modest attendance gains.

□ Institutional foodservice sales at clubs and sporting and recreational camps are projected to make nominal gains in 1988. Limited growth in club memberships is expected. Memberships at sporting and recreational camps will be basically stable.

Employee foodservice

□ Real foodservice sales gains by contractors in manufacturing and industrial plants are expected to be below industry growth in 1988. Nevertheless, a 1 percent gain in employment at these plants reflects improved production for the export market due to the dollar's decline.

□ Employment at commercial and office buildings should advance by more than 4 percent in 1988 as more jobs are created in the information area. Real food and drink sales by contractors in these buildings are projected to advance by nearly 5 percent. Inflation-adjusted institutional food and drink sales in the employee foodservice category, which includes meal and snack sales for industrial and commercial organizations, sea going ships and inland waterway vessels, are expected to be flat during 1988. Greater contractor penetration has occurred in this market due to better cost containment and quality.

Lodging place foodservice

□ Hotels will continue to account for all of the growth in this sector. Real sales growth at both motels and motor hotels is expected to decline.

□ Occupancy levels should be up a bit in 1988, with new properties opening at a slower rate. Convention business is expected to be strong due to a good economy and the continued full tax deductibility of business meals when a speaker is present.

Military foodservice

□ Food and drink sales in the military foodservice segment should experience real gains in 1988. The armed forces population is expected to rise about 0.8 percent.

Transportation service

□ An increase of 7.1 percent is forecast for airline traffic in 1988, a slower growth rate than the 9.0 percent rise in 1987. The traffic level will not be hurt much by modest fare increases, and, with the economy up some in 1988, business air travel should be slightly stronger.

□ The projected food and drink real sales gain is lower than the rise in airline traffic due to the less elaborate meals being offered on flights and the substitution of snacks for meals.

□ Although railroads will see only moderate growth in 1988, cruise lines should enjoy strong gains—in the 12 percent range. Excellent consumer response is expected to the packages being offered by the cruise lines. In addition, the length of cruises has been shortened to widen the appeal of ocean travel.

Other foodservice

□ The projected strong real sales growth in the retail host category is due primarily to gains made by the meals and snacks merchandise line in convenience and grocery stores. There has been an increase in the number of convenience stores offering meal and snack items in both the grocery and gasoline service station markets. Liquor stores and bookstores are registering above-average growth results as well. These gains offset lower and no growth in department, variety and drug stores.

□ Sales gains by mobile caterers should be moderate.

Lodging place sales: $13.3 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total lodging places	**$ 10,698,520**	**$ 12,340,474**	**$ 13,303,031**	**7.8%**	**3.6%**	**7.5%**
Hotel restaurants	8,748,054	10,260,023	11,153,794	8.7	4.5	8.4
Motor hotel restaurants	741,443	796,555	826,824	3.8	−0.3	3.7
Motel restaurants	1,209,023	1,283,896	1,322,413	3.0	−1.2	3.0

Military foodservice sales: $1.0 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total military foodservice*	**$ 877,257**	**$ 986,628**	**$1,049,792**	**6.4%**	**2.2%**	**6.2%**
Officers & NCO clubs ("Open Mess")						
Military exchange	579,563	650,877	691,882	6.3	2.1	6.1
foodservice	297,694	335,751	357,910	6.6	2.4	6.3

**Continental U.S. only*

Transportation foodservice sales: $2.1 billion

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Total transportation foodservice	**$1,609,567**	**$1,950,216**	**$2,129,852**	**9.2%**	**6.7%**	**9.8%**
Contractors, in-transit foodservice commercial airlines	716,139	867,294	946,218	9.1	6.5	9.7
Transportation*	893,428	1,082,922	1,183,634	9.3	6.9	9.8

**Includes sales on airlines, passenger/cargo liners and railroads*

Other foodservice sales

	($000)			1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
	1985	1987	1988			
Retail hosts	$ 6,195 636	$ 7,952,520	$ 8,906,822	12.0%	7.8%	12.9%
Mobile caterers	627,266	704,780	746,362	5.9	1.7	6.0
Vending & non-store retailers*	3,898,901	4,405,602	4,718,400	7.1	2.9	6.6
Community centers	417,231	478,134	509,691	6.6	5.0	6.9

**Includes sales of hot food, sandwiches, pastries, coffee and other hot beverages*

The Foodservice Industry—Food and Drink Sales Projected to 1988

	1985 Estimated F&D sales ($000)	1987 Projected F&D sales ($000)	1988 Projected F&D sales ($000)	1987-1988 Percent change	1987-1988 Percent real growth change	1985-1988 Compound annual growth rate
GROUP I—Commercial Foodservice[1]						
Eating places						
Restaurants, lunchrooms	$ 58,444,122	$ 66,142,507	$ 70,574,055	6.7%	2.5%	6.5%
Limited menu restaurants, refreshment places	47,190,521	55,671,888	60,424,713	8.5	4.3	8.6
Commercial cafeterias	3,286,108	3,678,338	3,913,752	6.4	2.2	6.0
Social caterers	1,301,600	1,490,197	1,600,472	7.4	3.2	7.1
Ice cream, frozen custard stands	1,375,857	1,585,540	1,698,113	7.1	2.9	7.3
Total eating places	$111,598,208	$128,568,470	$138,211,105	7.5%	3.3%	7.4%
Bars/taverns	8,428,281	9,211,942	9,626,479	4.5	0.3	4.5
Total eating & drinking places	$120,026,489[2]	$137,780,412	$147,837,584	7.3%	3.1%	7.2%
Food contractors						
Manufacturing & industrial plants	$ 2,721,072	$ 2,965,661	$ 3,131,738	5.6%	1.4%	4.8%
Commercial & office buildings	894,308	1,064,456	1,160,257	9.0	4.8	9.1
Hospitals & nursing homes	1,184,410	1,328,205	1,411,226	6.2	2.0	6.0
Colleges & universities	1,738,127	2,032,976	2,201,713	8.3	3.0	8.2
Primary & secondary schools	886,382	1,011,974	1,086,860	7.4	3.2	7.0
In-transit foodservice (airlines)	716,139	867,294	946,218	9.1	6.5	9.7
Recreation & sports centers	1,319,773	1,503,303	1,611,541	7.2	3.0	6.9
Total food contractors	$ 9,460,211	$ 10,773,869	$ 11,549,553	7.2%	2.9%	6.9%
Lodging places						
Hotel restaurants	$ 8,748,054	$ 10,260,023	$ 11,153,794	8.7%	4.5%	8.4%
Motor hotel restaurants	741,443	796,555	826,824	3.8	−0.3	3.7
Motor restaurants	1,209,023	1,283,896	1,322,413	3.0	−1.2	3.0
Total lodging places	$ 10,698,520	$ 12,340,474	$ 13,303,031	7.8%	3.6%	7.5%
Retail host restaurants[3]	$ 6,195,636	$ 7,952,520	$ 8,906,822	12.0%	7.8%	12.9%
Recreation & sports[4]	1,957,118	2,149,356	2,269,720	5.6	1.4	5.1
Mobile caterers	627,266	704,780	746,362	5.9	1.7	6.0
Vending & non-store retailers[5]	3,898,901	4,405,602	4,718,400	7.1	2.9	6.6
TOTAL GROUP I	**$152,864,141**	**$176,107,013**	**$189,331,472**	**7.5%**	**3.3%**	**7.4%**
GROUP II—Institutional Foodservice—Business, Educational, Government or Institutional Organizations Which Operate Their Own Foodservice						
Employee foodservice[6]	$ 1,970,730	$ 2,020,529	$ 2,113,473	4.6%	0.4%	2.4%
Public & parochial elementary, secondary schools	2,918,628	3,168,716	3,294,503	4.0	−0.2	4.1
Colleges & universities	3,059,579	3,317,023	3,421,136	3.1	−2.2	3.8
Transportation	893,428	1,082,922	1,183,634	9.3	6.9	9.8
Hospitals[7]	7,104,393	7,195,755	7,368,453	2.4	−1.8	1.2
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped[8]	3,001,608	3,271,534	3,415,481	4.4	2.8	4.4
Clubs, sporting & recreational camps	1,659,743	1,742,730	1,838,580	5.5	1.3	3.5
Community centers	417,231	478,134	509,691	6.6	5.0	6.9
TOTAL GROUP II	**$ 21,025,340**	**$ 22,277,343**	**$ 23,144,951**	**3.9%**	**0.0%**	**3.2%**
TOTAL GROUP I & II	**$173,889,481**	**$198,384,356**	**$212,476,423**	**7.1%**	**2.9%**	**6.9%**
Group III—Military Foodservice[9]						
Officers & NCO clubs ("Open Mess")	$ 579,563	$ 650,877	$ 691,882	6.3%	2.1%	6.1%
Foodservice—military exchanges	297,694	335,751	357,910	6.6	2.4	6.3
TOTAL GROUP III	**$ 877,257**	**$ 986,628**	**$ 1,049,792**	**6.4%**	**2.2%**	**6.2%**
GRAND TOTAL	**$174,766,738**	**$199,370,984**	**$213,526,215**	**7.1%**	**2.9%**	**6.9%**

Footnotes:

[1] Data are given only for establishments with payroll.

[2] Food and drink sales for nonpayroll establishments totaled $3,379,180,000 in 1985.

[3] Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers.

[4] Includes drive-in movies, bowling lanes, recreation and sport centers.

[5] Includes sales of hot food, sandwiches, pastries, coffee and other hot beverages.

[6] Includes industrial and commercial organizations, seagoing and inland waterway vessels.

[7] Includes voluntary and proprietary hospitals; long-term general, TB, mental hospitals; and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals.

[8] Sales (commercial equivalent) calculated for nursing homes and homes for the aged only. All others in this grouping make no charge for food served either in cash or in kind.

[9] Continental U.S. only.

1988 food and drink purchases

Food and drink purchases for the foodservice industry are forecast to reach $81.8 billion in 1988. Purchases in the Commercial Foodservice Group, which account for 75.2 percent of the total amount spent, are estimated to equal $61.5 billion.

Highlights for 1988 food and drink purchases

☐ **Eating places**, which comprise the largest component of the Commercial Foodservice Group, are projected to record food and drink purchases of $46.8 billion.

☐ **Food contractor** purchases are forecast to equal $4.6 billion. This group represents the largest component of the commercial segment outside eating places in terms of food dollars spent.

☐ Purchases for the **Institutional Foodservice Group,** which account for 16.0 percent of total purchases, are expected to reach $13.1 billion.

☐ **Hospitals**, the largest food and beverage purchasers in the institutional segment, should record food and drink spending of $3.3 billion.

☐ **Military Foodservice** purchases are predicted to total $2.5 billion. Defense personnel expenditures, the largest share of military foodservice purchases, are predicted to total $2.1 billion.

The foodservice industry food and drink purchases projected to 1988*

	Estimated food and drink purchases ($000)
GROUP I: Commercial Foodservice[1]	
Eating places	
Restaurants, lunchrooms	$ 24,712,211
Limited menu restaurants	19,642,866
Commercial cafeterias	1,396,348
Social caterers	568,168
Ice cream, frozen custard stands	497,547
Total—eating places	**$ 46,817,140**
Bars and taverns	487,292[2]
Total—eating and drinking places	**$ 47,304,432**
Food contractors	
Manufacturing and industrial plants	$ 1,349,466
Commercial and office buildings	500,802
Hospitals and nursing homes	633,386
Colleges and universities	705,715
Primary and secondary schools	400,236
In-transit foodservice (airlines)[3]	454,118
Recreation and sports centers	549,535
Total—food contractors	**$ 4,593,258**
Lodging places	
Hotel restaurants	$ 3,468,161
Motor hotel restaurants	258,713
Motel restaurants	424,138
Total—lodging places	**$ 4,151,012**
Other commercial	
Retail host restaurants	$ 3,010,506
Recreation and sports	785,323
Vending and non-store retailers	1,456,712
Mobile caterers	234,358
Total—other commercial	**$ 5,486,899**
TOTAL—GROUP I	**$61,535,601**

	Estimated food and drink purchases ($000)
GROUP II: Institutional foodservice—Business, educational, government or institutional organizations that operate their own foodservice	
Employee foodservice	$ 996,164
Public and parochial elementary and secondary schools	3,256,517
Colleges and universities	1,436,466
Transportation	599,333
Hospitals	3,307,109
Nursing homes; homes for the aged, blind, orphans, mentally and physically handicapped	2,098,472
Clubs, sporting and recreation camps	780,698
Community centers	601,420
TOTAL—GROUP II	**$ 13,076,179**
TOTAL—GROUPS I AND II	**$ 74,611,780**
Food furnished foodservice employees (FSE) in Groups I and II	$ 4,725,290
TOTAL—GROUPS I, II AND FSE	**$ 79,337,070**
GROUP III: Military Foodservice	
Defense personnel	$ 2,078,117
Officers and NCO clubs ("Open Mess")	245,618
Foodservice—military exchange	141,374
TOTAL—GROUP III	**$ 2,465,109**
GRAND TOTAL	**$81,802,179**

**Purchases refer to expenditures by foodservice establishments for their food and drink supplies.*

1. Data are given only for establishments with payroll.
2. Food purchases only.
3. Food purchases only.

Percent change in state and regional economic indicators: 1987–1988

						Eating place sales ($000)		
	State	Population	Total employment	Manufacturing employment	Real disposable personal income	1987	1988	Percent change
New England	Connecticut	1.0%	1.9%	-0.3%	2.0%	$ 2,416,896	$ 2,605,414	7.8%
	Maine	1.8	2.1	0.4	3.1	731,892	790,443	8.0
	Massachusetts	1.1	1.8	0.4	2.4	5,462,366	5,893,893	7.9
	New Hampshire	2.5	3.2	1.9	4.3	770,103	840,182	9.1
	Rhode Island	0.5	1.7	0.3	2.3	655,527	704,692	7.5
	Vermont	1.4	2.5	1.5	3.2	372,855	404,548	8.5
	Total region	**1.2%**	**2.0%**	**0.4%**	**2.5%**	**$10,409,639**	**$11,239,172**	**8.0%**
Middle Atlantic	New Jersey	0.9%	1.9%	-0.8%	2.5%	$ 4,117,309	$ 4,389,051	6.6%
	New York	0.5	0.9	-1.1	1.2	10,341,846	10,997,976	6.3
	Pennsylvania	1.0	1.2	-1.0	1.7	5,805,113	6,182,445	6.5
	Total region	**0.7%**	**1.2%**	**-1.0%**	**1.6%**	**$20,264,268**	**$21,569,472**	**6.4%**
South Atlantic	Delaware	1.5%	1.5%	-1.6%	1.8%	$ 373,054	$ 399,541	7.1%
	District of Columbia	0.3	0.6	-1.5	-1.1	739,696	782,598	5.8
	Florida	2.3	3.6	2.9	4.0	7,837,682	8,558,749	9.2
	Georgia	1.4	2.6	1.3	3.8	3,467,212	3,765,392	8.6
	Maryland	1.2	2.2	-0.6	2.5	2,603,799	2,762,631	6.1
	North Carolina	1.2	2.2	1.4	3.5	3,291,766	3,581,441	8.8
	South Carolina	1.7	2.4	1.0	3.7	1,720,286	1,869,951	8.7
	Virginia	1.5	2.4	1.3	2.9	3,257,792	3,521,673	8.1
	West Virginia	0.7	1.3	-1.2	2.0	701,727	743,831	6.0
	Total region	**1.6%**	**2.6%**	**1.3%**	**3.3%**	**$23,993,014**	**$25,985,807**	**8.3%**
East North Central	Illinois	0.2%	1.1%	-1.2%	1.5%	$ 6,157,967	$ 6,545,919	6.3%
	Indiana	0.8	1.4	-0.3	2.1	3,117,471	3,332,576	6.9
	Michigan	0.4	1.3	-0.5	1.6	5,070,719	5,400,315	6.5
	Ohio	0.8	1.2	-0.8	1.7	6,147,362	6,540,793	6.4
	Wisconsin	1.1	1.8	0.6	2.6	2,389,261	2,561,288	7.2
	Total region	**0.6%**	**1.3%**	**-0.6%**	**1.8%**	**$22,882,780**	**$24,380,891**	**6.5%**
East South Central	Alabama	0.6%	1.8%	1.3%	3.0%	$ 1,574,820	$ 1,688,207	7.2%
	Kentucky	1.1	1.7	0.8	2.7	1,755,342	1,892,259	7.8
	Mississippi	0.4	1.5	1.4	3.0	889,114	955,798	7.5
	Tennessee	1.1	2.0	0.8	3.2	2,626,942	2,839,724	8.1
	Total region	**0.8%**	**1.8%**	**1.0%**	**3.0%**	**$ 6,846,218**	**$ 7,375,988**	**7.7%**
West North Central	Iowa	0.3%	1.3%	0.1%	2.1%	$ 1,262,026	$ 1,337,748	6.0%
	Kansas	0.6	1.8	1.6	2.7	1,222,009	1,306,328	6.9
	Minnesota	1.4	2.3	1.3	3.0	2,301,197	2,478,389	7.7
	Missouri	0.7	1.6	0.1	2.4	2,770,744	2,948,072	6.4
	Nebraska	0.7	1.7	1.0	2.6	822,970	873,994	6.2
	North Dakota	0.8	1.9	3.4	1.9	282,346	301,263	6.7
	South Dakota	0.6	1.6	3.1	2.8	308,388	327,200	6.1
	Total region	**0.8%**	**1.8%**	**0.8%**	**2.6%**	**$ 8,969,680**	**$ 9,572,994**	**6.7%**
West South Central	Arkansas	1.0%	2.0%	1.7%	3.3%	$ 997,179	$ 1,072,965	7.6%
	Louisiana	-0.3	2.1	0.6	3.1	2,422,824	2,597,267	7.2
	Oklahoma	0.6	2.3	2.0	3.2	2,061,412	2,220,141	7.7
	Texas	1.0	3.0	2.0	3.8	10,508,692	11,349,387	8.0
	Total region	**0.8%**	**2.7%**	**1.8%**	**3.6%**	**$15,990,107**	**$17,239,760**	**7.8%**
Mountain	Arizona	2.6%	3.8%	3.4%	4.4%	$ 1,956,290	$ 2,148,006	9.8%
	Colorado	2.4	3.5	3.3	4.2	2,508,514	2,731,772	8.9
	Idaho	1.5	2.6	2.5	3.8	443,690	477,410	7.6
	Montana	0.9	2.1	0.4	2.9	397,689	423,936	6.6
	Nevada	3.0	4.0	3.6	4.5	699,680	762,651	9.0
	New Mexico	1.4	3.1	3.5	4.0	855,310	933,143	9.1
	Utah	2.0	3.3	3.6	4.5	667,042	717,070	7.5
	Wyoming	2.1	2.9	1.6	3.8	356,891	387,584	8.6
	Total region	**2.2%**	**3.4%**	**3.2%**	**4.2%**	**$ 7,885,106**	**$ 8,581,572**	**8.8%**
Pacific	Alaska	2.0%	3.4%	3.4%	3.8%	$ 498,035	$ 533,196	7.1%
	California	1.5	2.8	1.8	3.3	18,974,580	20,454,597	7.8
	Hawaii	1.4	2.5	*nc	3.0	1,183,728	1,277,242	7.9
	Oregon	1.7	2.4	1.2	3.2	1,572,318	1,683,952	7.1
	Washington	1.6	2.4	0.7	2.9	2,684,144	2,888,139	7.6
	Total region	**1.5%**	**2.7%**	**1.6%**	**3.2%**	**$24,912,805**	**$26,837,126**	**7.7%**

**nc—no change*

Source: National Planning Association, Regional Economic Projections Series; National Restaurant Association

Regional and state forecast

For the eighth consecutive year, the National Restaurant Association is forecasting eating place sales for each of the 50 states and the District of Columbia. Restaurateurs can use these data to compare their sales performance with projections for their state or region.

To a great extent, eating place sales performance depends on the economic situation in the area. Such factors as the area's industrial mix, income, population and employment growth all affect restaurant sales.

Real disposable personal income is expected to rise in each of the nine census regions during 1988, boosting eating place sales. Population and total employment growth in all regions should be positive as well. Variations in economic growth between the regions, however, are often dramatic. While the Mountain states are expected to see a 3.4 percent rise in total employment and a 4.2 percent jump in real disposable personal income, the outlook for the Middle Atlantic region is much more modest, with total employment and real disposable personal income growing 1.2 and 1.6 percent, respectively.

Percent change in regional economies
(1987–1988)

Region	Population	Total employment	Manufacturing employment	Disposable personal income*
New England	1.2%	2.0%	0.4%	2.5%
Middle Atlantic	0.7	1.2	−1.0	1.6
South Atlantic	1.6	2.6	1.3	3.3
East North Central	0.6	1.3	−0.6	1.8
West North Central	0.8	1.8	0.8	2.6
East South Central	0.8	1.8	1.0	3.0
West South Central	0.8	2.7	1.8	3.6
Mountain	2.2	3.4	3.2	4.2
Pacific	1.5	2.7	1.6	3.2
Total U.S.	**1.1%**	**2.1%**	**0.6%**	**2.7%**

* in real (non-inflationary) dollars

Source: National Planning Association, Regional Economic Projections Series; National Restaurant Association

Regional highlights

☐ Leading the nation with the most impressive eating place sales gain in 1988 will be the **Mountain** region—up 8.8 percent. The **South Atlantic** should follow with an 8.3 percent advance.

☐ The **Middle Atlantic** region is expected to post the lowest sales increase next year—6.4 percent.

☐ The **Pacific** states should again rank number one in terms of total eating place sales—$26.8 billion. The **South Atlantic** is forecast to come in a close second, with sales of $26.0 billion.

☐ **Arizona** is expected to boast the largest percentage increase in sales in 1988, with an advance of 9.8 percent. Close behind should be **Florida** at 9.2 percent, with both **New Hampshire** and **New Mexico** at 9.1 percent.

☐ **California** should lead the nation in total eating place sales—$20.5 billion. **Texas** is projected to rank second with sales of $11.3 billion, and **New York** should come in third at $11.0 billion.

New England

Major industries

☐ High technology
☐ Defense
☐ Manufacturing
☐ Service
☐ Textiles and apparel
☐ Tourism

Outlook

☐ Continued strength is expected in the residential and nonresidential construction markets due to a healthy economy and rising personal income. The weaker dollar in international markets should boost production in the region's many export-related businesses.

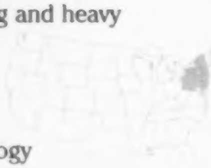
☐ The service sector is expected to be strong, especially in Boston and Hartford, due to business, population and income growth. Wholesale and retail trade face a positive outook as well.

☐ As an oil-dependent region, New England should benefit from low oil and gas prices and increasing access to cheaper Canadian gas and electricity.

☐ Total eating place sales for the region are projected to top $11.2 billion, an 8.0 percent increase from 1987. Expected growth in population, employment and real income should be near the national average.

☐ Although Massachusetts continues to lead the region in eating place sales, accounting for more than half of the New England total, New Hampshire is forecast to outshine the region in eating place sales growth—up 9.1 percent for 1988.

Middle Atlantic



Major industries

☐ Manufacturing and heavy industry
☐ Service
☐ Tourism
☐ Finance
☐ High technology

Outlook

☐ The declining value of the dollar overseas should be a boon to the area's tourist industry.

☐ Manufacturing employment should decline in 1988 as the economy of New York becomes more oriented toward business services, finance and insurance. Manufacturing employment declines are also forecast for Pennsylvania and New Jersey where continued diversification into such industries as high technology and pharmaceuticals has made the economy more broadly based. Population and employment growth will be lower than the national average.

☐ The performance of high technology industries should improve in the region. Business services are expected to be strong, and the weaker dollar should benefit the region's chemical operations.

☐ In 1988 eating place sales in the region are forecast to advance by 6.4 percent to $21.6 billion.

☐ In New York, which accounts for half of total eating place sales in the tristate area, sales are expected to reach $11.0 billion—up 6.3 percent.

South Atlantic

Major industries

- ☐ Service
- ☐ Textiles and apparel
- ☐ Agriculture
- ☐ Manufacturing
- ☐ Defense
- ☐ Tourism
- ☐ High technology

Outlook

☐ Import competition in the fruit and vegetable markets will continue to be a major factor in the performance of the region's agricultural industry. Tobacco producers should continue to face declining domestic demand, but the outlook for the poultry industry is favorable.

☐ The weaker dollar overseas will increase the competitiveness of the region's textile, apparel, lumber, paper and chemical industries, boosting production through greater exports.

☐ The growth rate for employment in the manufacturing sector is expected to be more than twice that for the total United States during 1988. Projected population and total employment gains should also be above the national average.

☐ Florida is the driving force behind the South Atlantic's economic growth. In 1988, eating place sales in this southernmost state are expected to rise 9.2 percent in 1988 to $8.6 billion.

☐ Eating place sales for the region will advance to $26.0 billion—up 8.3 percent over 1987.

West North Central

Major industries

- ☐ Agriculture
- ☐ Aerospace
- ☐ Defense
- ☐ Farming equipment

Outlook

☐ In 1988 population, total employment and personal income growth should all lag U.S. averages. Nevertheless, the 0.8 percent advance expected in manufacturing employment in the region is slightly higher than the 0.6 percent average forecast for the United States overall.

☐ The long-awaited turnaround in the region's agricultural sector has begun. Farm income is up, and producers, especially livestock producers, are enjoying modest returns. The outlook, however, remains uncertain. Any significant increases in interest rates in 1988 could severely hamper efforts to reduce the region's massive farm debt and could halt progress.

☐ A modest recovery in oil and gas industries should help stabilize the region's economy. Further gains are expected in defense-related industries.

☐ Eating place sales are forecast to climb 6.7 percent in 1988. Total eating place sales should reach $9.6 billion next year.

☐ Minnesota is expected to record the most significant advance in eating place sales in the region for 1988, with a 7.7 percent rise to $2.5 billion.

West South Central

Major industries

- ☐ Oil and gas
- ☐ Defense
- ☐ Chemicals
- ☐ High technology
- ☐ Finance

Outlook

☐ While population advances will be below the national average, employment growth will be above.

☐ The stabilization of oil prices in the world market is expected to help employment in the region. As a result, office space leasing and the housing market should pick up.

☐ The high technology and defense sectors in Texas are expected to be a bright spot in the region's economy.

☐ As the oil industry gradually recovers, the chemical industry should be aided by a weaker dollar in international markets, boosting the sector's exports.

☐ Eating place sales should climb to a substantial $11.3 billion in Texas, up 8.0 percent and representing the largest advance in the region.

☐ The region's eating place sales will advance to $17.2 billion in 1988—a 7.8 percent increase.

Mountain

Major industries

- ☐ High technology
- ☐ Defense
- ☐ Mining
- ☐ Construction
- ☐ Energy

Outlook

☐ In 1988 the region should experience the strongest population, employment and personal income growth rates in the nation.

☐ Employment advances will be aided by a gradual revitalization of the energy sector, but weak demand for steel will continue to plague the area's mining industry.

☐ Manufacturing production related to defense spending is expected to remain strong.

☐ Eating place sales for the region are forecast to advance to $8.6 billion. This represents the largest percentage gain for any region in the nation—up 8.8 percent.

☐ Arizona sales will advance by 9.8 percent to reach $2.1 billion. This projected percentage increase is the largest of any state in 1988.

☐ Colorado is forecast to lead the region with eating place sales of $2.7 billion.

Pacific

Major industries

- ☐ Electronics and high technology
- ☐ Aerospace
- ☐ Defense
- ☐ Lumber
- ☐ Agriculture
- ☐ Tourism

Outlook

☐ Economic growth in the region should remain strong. The area should register population, employment and personal income advances above national averages.

☐ Construction levels are expected to remain high. The outlook for the paper and pulp industry is particularly favorable.

☐ Exports from the region are expected to fare better as a result of the weaker U.S. dollar. The lower value of the dollar in international markets should also aid tourism and port activity.

☐ The electronics/high-tech sector will also be helped by the better export market and the industry's recent cost-cutting efforts.

☐ California should lead the region and the nation in 1988 in total eating place sales—$20.5 billion, up 7.8 percent from 1987.

☐ The region's eating place sales are forecast to reach $26.8 billion, the greatest amount for any region in the country.

East North Central

Major industries

- ☐ Automobile
- ☐ Steel
- ☐ Rubber
- ☐ Robotics
- ☐ Agricultural

Outlook

☐ The region's population is expected to grow 0.6 percent in 1988, and total employment should rise 1.3 percent. Both increases are below averages forecast for the country overall next year.

☐ Sluggish demand for automobiles will dampen the region's economy as weakness in this sector affects other major industries, including rubber, steel and robotics.

☐ Expected declines in production in the region's heavy industries will result in a 0.6 percent drop in total manufacturing employment.

☐ Federal government subsidy programs should help support farm income in 1988. However, the region's agriculture sector will continue to face high debt and excess production. Modest expansion in the region's budding service sectors may help offset weaknesses in other industries in the short term and represents the best prospects for long-term growth.

☐ Eating place sales should rise 6.5 percent in 1988, to $24.4 billion.

☐ The strongest gain in eating place sales is expected in Wisconsin—7.2 percent.

East South Central

Major industries

- ☐ Textiles and apparel
- ☐ Oil and gas
- ☐ Defense
- ☐ Automobile
- ☐ Paper and lumber

Outlook

☐ Moderate improvements are expected in energy-related industries as the price of oil stabilizes on the world market.

☐ The region's recently developed automobile industry may suffer setbacks due to weak consumer demand. Manufacturers of defense-related equipment are expected to post positive gains in 1988.

☐ Steps taken to modernize textile and apparel manufacturing facilities should improve overall efficiency. This effort, coupled with relatively low labor costs, should help domestic manufacturers hold their own against strong foreign competition.

☐ Population and total employment growth for the region in 1988 is expected to be below the U.S. average. However, manufacturing employment is forecast to rise 1.0 percent, slightly above the national average.

☐ Tennessee should lead the region in eating place sales growth in 1988, posting an 8.1 percent increase in sales.

☐ Eating place sales for the entire region are forecast to hit $7.4 billion next year—a 7.7 percent advance over 1987.

How the regional forecast was prepared

The economic and sales data for the states have been arranged according to the nine census regions. Included for each state are revised eating place sales for 1987, projected 1988 sales figures and information on personal income, employment and population data. Much of the economic data in this report is based on information obtained from such sources as the Bureau of Economic Analysis, the Bureau of Labor Statistics, the National Planning Association and the Chamber of Commerce.

The estimates for eating place sales used here were prepared in consultation with the research firm Malcolm M. Knapp, Inc. State-by-state historical eating place sales trends during 1972, 1977 and 1982 form the basis for these projections. Special attention was paid to growth trends between 1977 and 1982 for refreshment places (fast food) and restaurants and lunchrooms for each state. Sales figures were then adjusted to reflect current and projected income and population data.

A few reminders

☐ Sales projections for 1988 are based on the best available data in late September and early October 1987. If the outlook for general economic conditions or the food situation changes significantly in 1988, these projections will require adjustment.

☐ Adjustments were made to arrive at a predetermined U.S. total.

☐ Sales figures for each state are subject to a larger margin of error than the national projections.

☐ Actual sales figures represent an overall allocation of total sales in the United States, while percent changes are subject to more variation. Percent changes have been shown here as a convenience to *1988 Forecast* readers.

☐ The sales information for states and regions is for all establishments. They represent the U.S. Census definition of eating places (SIC Code 5812) and include figures for operations with payroll and without payroll as well as contract feeding. As a result, the sales figures for states and regions will not equal the total for eating places. Regional projections were not done separately, and, as a result, regional totals are sums of state data.

1987 update

The National Restaurant Association's updated *1987 Forecast* shows a slight improvement in foodservice industry sales from the association's original forecast. In fact, inflation-adjusted food and drink sales are expected to approximate growth in real GNP.

Customer traffic at the nation's restaurants showed solid growth during the first three quarters of 1987. CREST data reveal that traffic gained 3.2 percent in the winter quarter, 2.6 percent in the spring and 3.6 percent in the summer.

But in the current competitive operating environment, restaurants have had to work hard to increase their customer counts. An indication of this competitiveness is the increased usage of promotions by consumers during the first three quarters of 1987, compared to the year before. The proportion of restaurant visits on which a deal was used has increased steadily since 1984.

Foodservice industry food and drink sales
(1986–1987)

	($000)		Percent change	
	1986	1987	Current dollars	Constant dollars
Commercial Foodservice Group	$164,423,361	$176,107,013	7.1%	3.0%
Eating places	120,045,257	128,568,470	7.1	3.1
Restaurants and lunchrooms	62,222,490	66,142,507	6.3	2.3
Limited menu restaurants	51,484,858	55,671,888	8.1	4.1
Commercial cafeterias	3,470,130	3,678,338	6.0	2.0
Social caterers	1,390,109	1,490,197	7.2	3.2
Ice cream, frozen custard stands	1,477,670	1,585,540	7.3	3.3
Bars and taverns	8,891,836	9,211,942	3.6	−0.4
Total eating & drinking places	128,937,093	137,780,412	6.8	2.8
Institutional Foodservice Group	21,494,293	22,277,343	3.6	0.3
Military Foodservice Group	932,524	986,628	5.8	1.8
Total industry sales	**$186,850,178**	**$199,370,984**	**6.7%**	**2.7%**

1987 traffic performance highlights

The **quickservice segment** saw customer counts rise by a healthy margin in 1987. Traffic was up 4.7 percent in the winter, 5.1 percent in the spring and 5.2 percent in the summer.

Midscale restaurants experienced less-than-desirable customer traffic gains during the first nine months of the year, although an improvement was posted over the decreases recorded in 1986. Customer counts inched up 0.2 percent in the winter, declined 2.9 percent in the spring and experienced no change in the summer quarter.

Upscale restaurants recorded slight gains in traffic during the first three quarters of 1987, with customer counts up at moderate check establishments and down at high check eateries. Traffic increased 0.7 percent in the winter, 0.5 percent in the spring and 2.1 percent in the summer.

1987 sales performance highlights

According to the National Restaurant Association's revised forecast, **foodservice industry sales** are expected to fall just shy of the $200 billion mark in 1987—a 6.7 percent increase from 1986. In inflation-adjusted terms, industry sales rose 2.7 percent in 1987.

□ Food and drink sales for the **Commercial Foodservice Group** are projected to reach $176.1 billion this year—a 7.1 percent gain over 1986. After adjusting for inflation, sales are expected to advance by 3.0 percent in 1987, a gain similar to that recorded last year.

□ Positive growth is also expected for both the **Institutional Foodservice Group** and the **Military Foodservice Group** where real sales should increase 0.3 percent and 1.8 percent, respectively. Sales volumes in 1987 should top $22 billion for the Institutional Group and reach almost $1 billion for the Military Foodservice Group.

□ **Eating place sales** are expected to advance to $128.6 billion in 1987—a 7.1 percent gain. Inflation-adjusted sales should increase by 3.1 percent. Food and drink sales at restaurants and lunchrooms are projected to top $66 billion this year—a 6.3 percent gain. Sales should grow even faster at limited menu (fast food) operations, by 8.1 percent, reaching $55.7 billion. Inflation-adjusted sales for these two eating place categories are expected to rise 2.3 and 4.1 percent, respectively, during 1987.

—Kate Conroy
—Laurence Greenberg
—Susan Mills
—Claire Regan
—Hudson Riehle

How the 1988 forecast was prepared

The National Restaurant Association's projections for 1988, revised projections for 1987 and final estimates for 1985 are published here. Comparable historical sales data encompassing the 15-year period from 1970 through 1984 have been published in *Foodservice Numbers*.

The association's annual industry forecast for 1988 includes both nominal and real percent changes in sales for all industry sectors. Real growth is calculated separately for each market segment. In the case of eating places, the projected percent increase in menu prices is subtracted from the percent increase in sales. For drinking places, it is necessary to make a special estimate of the inflation factor, which is weighted more heavily toward alcoholic beverages.

For other industry sectors, such as colleges and universities where expenses are largely determined by food costs, a modification of the Producer Price Index for food is used. Modifications to this index are based on historical patterns for each industry sector. The food cost component constitutes the base percent increase, which is adjusted to reflect population changes and other pertinent factors, such as labor and overhead costs.

To arrive at real 1988 sales figures for the total foodservice industry as well as for the Commercial and Institutional Foodservice Groups, current 1987 sales were multiplied by the respective 1988 real growth factors. The real sales figures for each of these sectors were added and compared with 1987 sales to obtain overall real growth for the industry and the two major segments.

A word of caution

Sales projections are based on the best data available in late September and early October 1987. If the outlook for general economic conditions or the food situation changes significantly in the coming year, these projections will require adjustment. In addition, the performance of individual companies or sales in local market areas may differ substantially from the U.S. outlook.

1 NEW ENGLAND

Location: Old Lyme, CT
Association member: Diana Atwood
Operation: Old Lyme Inn
Profile: Upscale restaurant
In business: 12 years
Seats: 120
Meals served: Lunch, dinner

"Business has been good. We've been up 15 to 20 percent all year," says **Diana Atwood,** owner of the Old Lyme Inn, which features American cuisine with a French flair. The Old Lyme Inn has received three, 3-star reviews in *The New York Times* during its 12 years in business.

Many customers from New York City routinely make a 2-hour drive north to the town of Old Lyme in southern Connecticut to eat at the Victorian-style restaurant.

The menu is somewhat seasonal, with summers featuring local seafood and winters featuring game. Atwood tries to offer a variety; occasionally, an exotic item like Wild Himalayan Goat will appear on the menu. A typical dinner costs $32; a typical lunch about $10.

The restaurant is an attraction in itself. It's part of a 13-room inn that was formerly a mansion. When Atwood bought the mansion, it was an Italian restaurant. She has since added eight rooms. "It's about as big as I want it to get right now," she says. "I don't think I'll expand it anymore."

2 MID ATLANTIC

Location: Kutztown, PA
Association member: Carlton C. Wolfinger
Operation: Sky View Restaurant
Profile: Fullservice family restaurant
In business: 11 years
Seats: 80
Meals served: Breakfast, lunch, dinner

"Business is super," says **Carlton C. Wolfinger,** owner of the Sky View Restaurant. "I don't know why it's so good. It's probably a combination of everything," he says.

The Sky View is one of a diminishing number of restaurants in eastern Pennsylvania that specializes in Pennsylvania Dutch-style cooking. "I don't know of anybody else in the area that serves it daily," Wolfinger says. "However, we also serve sandwiches and spaghetti."

Wolfinger is Pennsylvania Dutch and still speaks the language. Most of his customers and almost all of his employees are Pennsylvania Dutch as well.

Among the popular dishes served at the Sky View is *Schnitz und Knepp*, a Dutch-style dish with dried apples, dumplings and ham. Other Dutch-style favorites are pork and sauerkraut and the scrapple and smoked sausage platter. For dessert, many customers choose the homemade shoofly pie.

3 SOUTH ATLANTIC

Location: Martinsburg, WV
Association member: Judy C. Sharp
Operation: American Deli Incorporated
Profile: Deli
In business: 2 years
Seats: 84 indoors; 64 outdoors
Meal served: Lunch

"We do a great percentage of our business on weekends, but I think our weekday business is picking up," says **Judy C. Sharp,** manager of the American Deli Incorporated.

The deli is located in a three-year-old factory outlet mall in Martinsburg, West Virginia, which draws shoppers from the Northeast and Midwest. Many of the weekend visitors to the mall's 31 outlet stores eat at the deli. "Business is great. Of course, we're in our heavy shopping months because of back-to-school and Christmas shopping."

The deli is located in an old sewing room of a refurbished mill, now called the Blue Ridge Outlet Center. "The center is becoming more and more popular, and more stores are opening. As the center expands, so will our business," Sharp speculates.

The American Deli Incorporated features numerous sandwiches, soups, salads and desserts. The deli also owns a National "Icee" kiosk in the mall that sells hot dogs, popcorn and "Icee" drinks. "Having the deli and kiosk gives people more options in what they want to eat and spend," Sharp says.

4 EAST NORTH CENTRAL

Location: Swayzee, IN
Association member: Robert Drury
Operation: Chism Corner
Profile: Family restaurant/truck stop
In business: 7 years
Seats: 240
Meals served: Breakfast, lunch, dinner

"During the week it can get a little creepy at times, but Sundays are great," says **Robert Drury,** owner of Chism Corner, who is trying to change a truck stop into a family restaurant.

Fuel still accounts for 50 percent of Chism Corner's sales, and most of that comes during the week when things are slow in the restaurant. "I prefer to be called a family restaurant. I'm interested in food sales," says Drury. "As far as catering to the truckers, we don't."

When Drury bought the restaurant seven years ago, he changed the decor to a style that he thought would appeal to families. It has worked on Sundays, when his special broasted chicken and the other items on his buffet have customers standing in line.

Drury says he gets between 400 and 500 customers paying $5 each for the

Sunday buffet. The buffet features four meats, four vegetables and a salad bar.

5 EAST SOUTH CENTRAL

Location: Fayette, AL
Association member: Gaile Langley
Operation: GaLa
Profile: Upscale restaurant
In business: 4 months
Seats: 200 in dining room; 100 in banquet rooms
Meals served: Lunch, dinner

"Right now it's slow," says **Gaile Langley,** owner of GaLa restaurant. "We're building business up gradually; it's going to take awhile."

Langley bought the Fayette, Alabama, restaurant in July and immediately began making big changes. She replaced the wooden front with a glass front, painted a mural of a plantation on one of the walls and removed the marine decor from the previous restaurant. "We tried to make it look larger and airier," she explains.

However, her changes have not created the business she hoped for. "I really expected it to go better than this. But we're still trying to find the right combination," she says.

Part of Langley's problems stems from the economic slump in Fayette, where a local plant recently shut down. "We feel like the economy is going to improve," she says. "We haven't given up."

6 WEST NORTH CENTRAL

Location: Kearney, NE
Association member: Howard Connell
Operation: Grandpa's Steakhouse
Profile: Fullservice steakhouse
In business: 35 years
Seats: 300 in dining room; 100 in lounge
Meal served: Dinner

"November is a bad month for us. It seems like business drops just before Christmas," says **Howard Connell,** co-owner of Grandpa's Steakhouse. "Overall, our business is up. I expect to do 10 percent better than last year."

Located on the outskirts of the small college town of Kearney, Nebraska, Grandpa's is a traditionally styled steakhouse. Not too much at Grandpa's has changed during its 35 years of existence, despite the rapidly growing competition. Just 13 years ago, Grandpa's was one of four restaurants in Kearney. Now it's one of 25.

Grandpa's does feel the effects of a slowdown when Kearney State College is not in session. "Not so much from the absence of kids as faculty," Connell says.

In addition to steaks, Grandpa's other popular dishes include crablegs, lobster tails and prime rib. "I think the prime rib is one of our more popular dishes," Connell says.

7 WEST SOUTH CENTRAL

Location: Roger, AK
Association members: Art and Barbara Purma
Operation: Hillbilly Smoke House
Profile: Deli/shipping house
In business: 40 years
Seats: 100
Meal served: Lunch

"We've got a real good business in lunch and mail order," says **Barbara Purma,** co-owner of the Hillbilly Smoke House. "It grows every year."

Purma says her business is fairly evenly split between mail orders and customers that eat lunch at the 100-seat deli. Until 10 years ago, the Smoke House was strictly mail order.

"People who come around here during their vacations usually end up mail ordering some of our ham and turkey later on. We ship to customers all over the United States and Canada," she says. "However, most of our customers are in Texas."

Purma says the Smoke House is now gearing up for one of its busiest times of the year for mail order. "Christmas is real big for us. The hams are especially popular," she says.

8 MOUNTAIN

Location: Fillmore, UT
Association member: Don W. Fullmer
Operation: Paradise Inn Restaurant
Profile: Fullservice family restaurant
In business: 14 years
Seats: 150
Meals served: Breakfast, lunch, dinner

"The customers are here and in sufficient numbers," says **Don W. Fullmer,** owner of the Paradise Inn Restaurant, which is part of an 80-room restaurant/hotel complex. "One supports the other," Fullmer says. "One probably wouldn't be feasible without the other."

The restaurant is family oriented and tries to provide a variety of foods for breakfast, lunch and dinner. "We call our dining room 'The Garden of Eat'n,'" Fullmer says.

The hotel and restaurant complex is located in Fillmore, Utah, just off Interstate 15, which goes to Las Vegas. According to Fullmer, the restaurant customers are split three ways among hotel customers, local customers and people from the highway.

9 PACIFIC

Location: Bakersfield, CA
Association member: Bill Giltner
Operation: Schlotzsky's Sandwich Shop
Profile: Deli
In business: 2 years
Seats: 80
Meal served: Lunch

"Business could always be better, but we make a profit every month," says **Bill Giltner,** owner of a Schlotzsky's Sandwich Shop franchise in downtown Bakersfield, California.

Schlotzsky's is a popular lunchtime spot because many Bakersfield workers like to get out of the office during lunch. And in southern California, nearly every day is nice enough to take a walk downtown. Giltner says about 20 to 25 percent of his customers come in daily.

Schlotzsky's serves six different sandwiches in three different sizes. Giltner says the largest size, which is 8 inches in diameter, is much like a pizza and is usually eaten by two to four people.

The thing that keeps customers coming back to Schlotzsky's is the bread, Giltner says. "It tastes just like the bread Grandma makes. Customers can get ham anywhere."

Giltner says he is thinking about opening another franchise in a Southern California suburb, where he believes he could make about as much money, but the lunches would not be as hectic. Schlotzsky's, based in Austin, Texas, has about 220 franchises nationwide.

—Tom McKeon

Frozen meals on wheels

With everyone from pizza companies to hamburger, chicken and barbecue chains developing quicker and better ways to get hot meals to the eat-at-home market, General Mills has come up with a new twist. Order In, a dinner delivery service, is being test-marketed in Eden Prairie, Minnesota. According to General Mills' R. Craig Shulstad, the service specializes in "foods that can be delivered refrigerated, then can be heated in a microwave or conventional oven."

The aim of Order In, says Shulstad, is the "delivery of restaurant-style meals to homes and offices within 20 minutes." Not all the foods on the menu, which includes sandwiches, entrees, appetizers, salads and desserts, have to be heated or cooked in an oven. The company has high hopes for the service, he adds, but at this point, "it's an experiment."

—*USA TODAY*

Artichokes in the clouds

When a new management team took over Alaska Airlines 15 years ago, its members decided that quality in personnel, service and food would be a distinguishing element of the small airline. Today, although the airline has grown, the emphasis on quality remains. At a time when most major airlines are moving toward less elaborate meals (with some spending as little as $1.22 per passenger), Alaska Airlines spends $6.60 per passenger on food.

Fine fresh fruits and vegetables, innovatively and attractively served, are a major element in the airline's meal program, which is catered by Marriott's Corporate Catering. For example, on a recent flight from Anchorage to Los Angeles, first-class passengers were served fresh, whole, steamed artichokes, accompanied by a dipping sauce. "What do we do with this?" asked some passengers who had not encountered a whole artichoke before. Experienced artichoke eaters in the cabin soon were giving instructions, and the artichokes became a source of traveling cameraderie.

—*Fresh News for Foodservice*

Calling all cars

Central Park U.S.A., Inc., which six years ago introduced the double drive-thru-only restaurant with a menu of burgers, fries and coke, is now tailoring its advertising to its behind-the-wheel customers. It is installing low-power transmitters in all Central Park stores that will broadcast continuously to all car radios within 1,000 feet of each Central Park unit. The system, which does not interfere with regular radio reception, will carry information about current menu specials as well as public service messages of interest to people living and working in the neighborhood of each store.

Because 100 percent of Central Park's customers are in automobiles or other motor vehicles, virtually all of which have radios, the new broadcasting system is "an ideal means of communications, far more interesting and personal than just putting up signs," says company president Richard P. Reinhard, Jr. "It gives us an opportunity no competitive fast food company has," he adds, "the opportunity to communicate verbally with our customers before they ever reach our stores."

Chattanooga-based Central Park, which currently has 23 stores operating in four states, has just launched a franchising program that will take the concept nationwide during 1988.

—*Central Park U.S.A.*

A project of hope

The timer is a flashing red light instead of a buzzer. All menu items are identified by pictures. And the employees at this busy Kentucky Fried Chicken restaurant "speak" noiselessly with sign language. The operation, located in the Malaysian capital of Kuala Lumpur, is the only KFC restaurant in the world to be run entirely by employees who cannot hear or speak.

In early 1986, KFC Holdings (Malaysia) began helping the Selangor School for the Deaf through fund-raising and by training their students for jobs in the foodservice industry. Last June, the 15 employees who run the Kuala Lumpur restaurant began a rigorous training program that included three months of on-the-job training at other KFC restaurants around the country.

Customers at the restaurant order by pointing to the captioned photo and indicating with their fingers the number of items wanted. The deaf personnel work as cooks, waiters and cashiers, and, according to George Ting, executive director for KFC in Malaysia, "they are excellent, dedicated employees. This is a very good opportunity for the deaf to prove that they can communicate, which is something that the public is not aware of and which has hindered their chances for employment."

Kentucky Fried Chicken in Malaysia, which also has raised more than $70,000 for the Society for the Deaf, plans to continue to train deaf personnel to work in restaurants.

—*Kentucky Fried Chicken News*

Track your daily covers/sales and our seminars at the same time

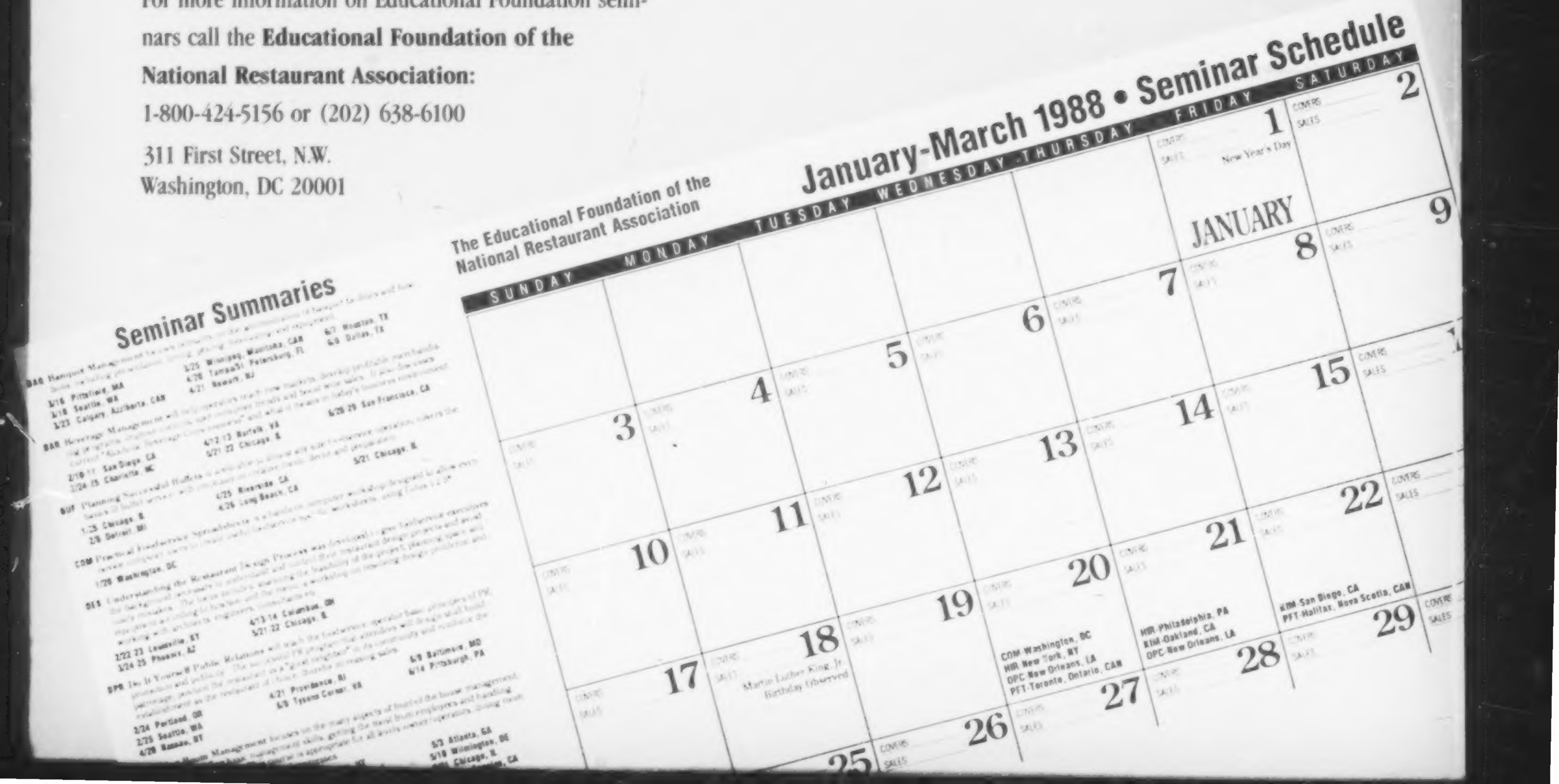
With the new Educational Foundation calendar poster you'll see 3 months of great seminars at a glance. You'll know exactly what we're offering and when. Not only will you have information on all 6 months of Educational Foundation seminars (3 months at a time), the calendar format also leaves you room to note other important events and your daily Covers/Sales records.

Look for this insert in the January 1988 issue of **Restaurants USA.**

For more information on Educational Foundation seminars call the **Educational Foundation of the National Restaurant Association:**

1-800-424-5156 or (202) 638-6100

311 First Street, N.W.
Washington, DC 20001


The Educational Foundation of the National Restaurant Association
January-March 1988 • Seminar Schedule
Seminar Summaries
SUNDAY
MONDAY
TUESDAY
WEDNESDAY
THURSDAY
FRIDAY
SATURDAY
JANUARY
New Year's Day
Martin Luther King, Jr. Birthday Observed
COM-Washington, DC
HIR-New York, NY
OPC-New Orleans, LA
PFT-Toronto, Ontario, CAN
HIR-Philadelphia, PA
KIM-Oakland, CA
OPC-New Orleans, LA
KIM-San Diego, CA
PFT-Halifax, Nova Scotia, CAN
COVERS
SALES

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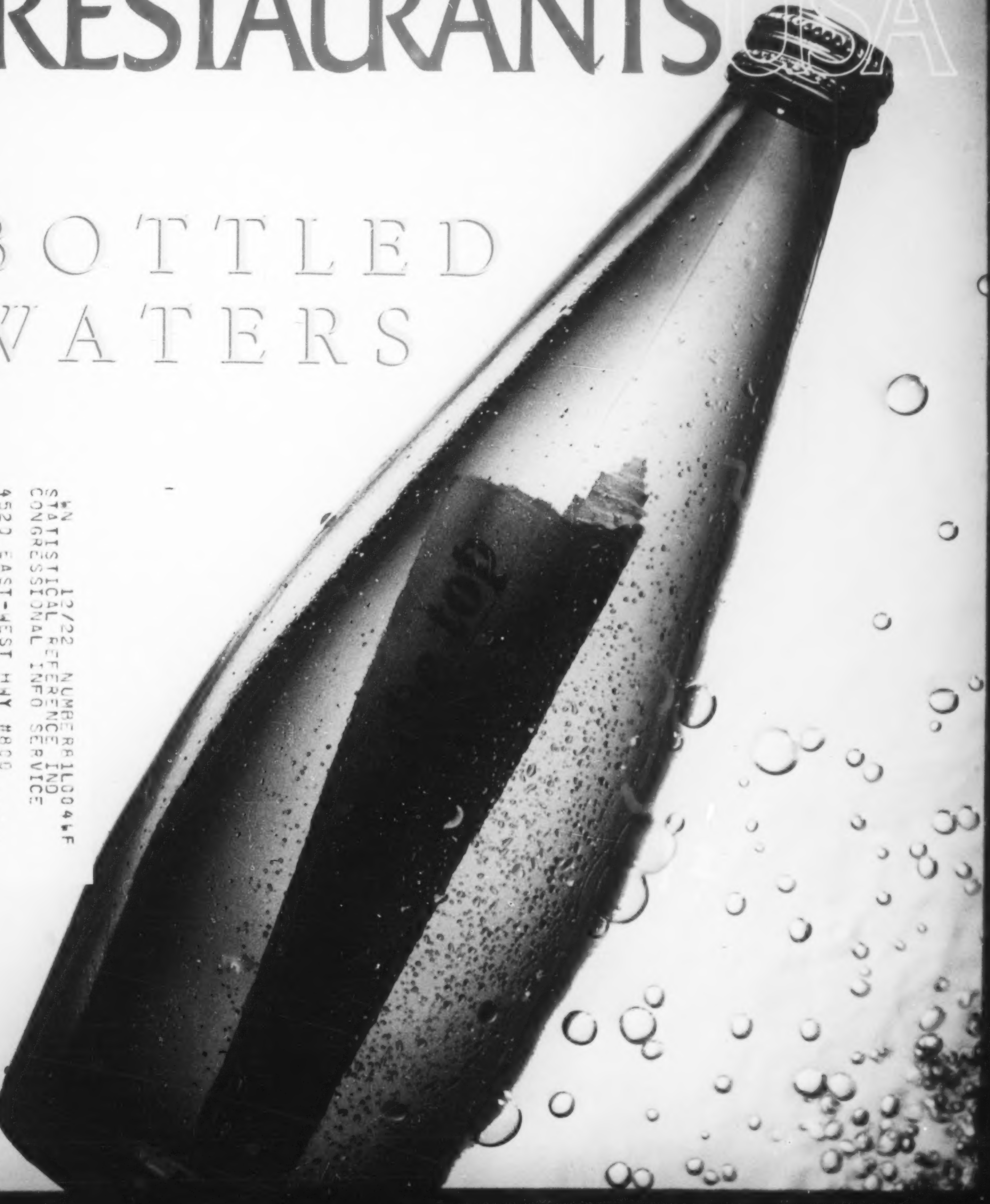
THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 □ NO. 1 □ JANUARY 1988

RESTAURANTS USA

BOTTLED WATERS



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ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
1/25 Washington, DC
1/27 Dallas, TX
2/9 Chicago, IL
2/11 Toronto, Ontario
2/23 San Francisco, CA
2/24 Anaheim, CA
3/7 Burlington, VT
3/9 Orlando, FL
3/15 Rochester, NY

Employee Motivation
2/22 Vancouver, B.C.
2/24 Saskatoon, Saskatchewan
2/26 Winnipeg, Manitoba
3/22 Boston, MA
3/23 Hartford, CT

Increasing Sales: Effective Front-of-the-House Management
1/28 Oklahoma City, OK
2/25 San Diego, CA
3/7 Washington, DC

Kitchen Management
1/21 Oakland, CA
1/22 San Diego, CA
2/8 Seattle, WA
2/22 Wilmington, DE
3/7 Chicago, IL
3/8 Portland, ME
3/28 Tampa, FL

Tools for Training
3/7 Gatlinburg, TN
3/9 Philadelphia, PA

Food Production Courses

Perfecting Your Culinary Skills
2/10 Cleveland, OH
3/28 Riverside, CA
3/29 San Diego, CA

Soups and Sauces
3/14 Atlantic City, NJ

Foodservice Management Courses

Banquet Management
3/16 Berkshire, MA
3/18 Seattle, WA

Beverage Management
2/10–11 San Diego, CA
2/24–25 Charlotte, NC

Do-It-Yourself Public Relations
2/24 Portland, OR
2/25 Seattle, WA

Food Cost Management
2/2 Jacksonville, FL
2/3 Tampa, FL
3/14 Los Angeles, CA

Foodservice Computer Spreadsheets
1/20 Washington, DC

Hiring in a Tight Labor Market
1/20 New York, NY
1/21 Philadelphia, PA

Menus That Sell!
1/27 Ventura, CA
1/28 Newport Beach, CA
3/8 Toronto, Ontario

Off-Premises Catering
1/20–21 New Orleans, LA
2/17–18 New York, NY
3/22–23 Minneapolis, MN

Operational Analysis
3/9–10 Atlanta, GA

Planning Successful Buffets
1/25 Chicago, IL
2/8 Detroit, MI

Profitability
1/20 Toronto, Ontario
1/22 Halifax, Nova Scotia
2/3 Los Angeles, CA
2/4 Anaheim, CA
3/7 Shreveport, LA
3/9 New York, NY

Real Estate and Restaurant Site Selection
1/25–26 San Francisco, CA

Restaurant Design
2/22–23 Louisville, KY
3/24–25 Phoenix, AZ

Server Selling Skills Training
1/27 Austin, TX
3/23 Washington, DC
3/24 Philadelphia, PA

Wine-Server Training
2/9 Philadelphia, PA
2/11 Washington, DC

For more information, contact:
Educational Foundation of the National Restaurant Association
311 First St., N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.
If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the Washington, DC, office.

NATIONAL CONFERENCES

Independent Foodservice Operators' National Conference
1/24–26 Miami, FL

National Conference on Computers in Foodservice
3/8–11 Orlando, FL

Conference on Planning and Financing Restaurant Growth
3/27–29 Los Angeles, CA

EXECUTIVE STUDY GROUP SERIES

Financial Officers
4/6–8 New Orleans, LA

Foodservice Purchasing Managers
5/18–20 Chicago, IL

Internal Auditors
4/26–29 Charleston, SC

Large Independent Operators
3/18–20 Monterey, CA

Management Information Systems (MIS—formerly EDP)
4/12–17 Scottsdale, AZ

Marketing Executives
5/18–21 Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)
5/18–20 Chicago, IL

Quality Assurance
4/20–22 San Diego, CA

Tax Executives
4/6–8 New Orleans, LA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

Published by the National Restaurant Association

RESTAURANTS USA
VOL. 8 NO. 1 **JANUARY 1988**

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY

Legislative issues continue to affect foodservice

A new year brings new prospects to our industry, but also new challenges. In today's volatile political and economic climate, it is more crucial now than ever before that we work together to meet these challenges.

A number of legislative issues that unfolded in 1987 will continue to have an effect in 1988. Just before year's end, the House and Senate, in an effort to move a federal deficit-reduction tax package through quickly, passed legislation including a provision mandating that employers pay FICA taxes on tips.

The association was vehement in its opposition to this provision, arguing that tips are a transaction between guest and server over which the restaurant owner has absolutely no control. Tips are not payroll and therefore should not be taxed as such.

Furthermore, the association repeatedly pointed out, additional revenues raised by this tax go into the Social Security fund, which is solvent. They cannot be used to offset actual deficit spending.

This provision was passed without due regard for the businesses, particularly small businesses, it will affect. This year is an election year. Look carefully at how your representatives voted on this and other issues affecting our industry. It is our shared responsibility to make certain that men and women attentive to our concerns are selected to represent us in Congress.

Basic Facts About AIDS

Another issue making headlines in 1987 will continue to do so in 1988. Occasionally, the association's headquarters in Washington receives member inquiries about Acquired Immune Deficiency Syndrome (AIDS). In response to these inquiries, the association has published a brochure, *Basic Facts About AIDS*, which is being mailed to association key members this month.

The brochure explains how AIDS is transmitted and emphasizes two points:

1. AIDS is not contracted through casual contact in the workplace.
2. AIDS is not a foodborne disease.

This brochure is intended for distribution to employees who have expressed concern about contracting AIDS at work. It should not be distributed in any other circumstance or to restaurant patrons. Please contact the association's Washington headquarters if you need additional information or copies.

Promotional video, radio spots released to national media

Promoting the foodservice industry will continue to be a priority in 1988. We have begun a monthly series of radio news releases, or "actualities," that emphasize different newsworthy aspects of foodservice, from the economic forecast to upcoming conferences to holiday traffic statistics. These actualities are disseminated over news wires to radio stations nationwide.

We have also produced the first in a series of video news releases that are sent to television news programs across the country. The first video focused on the pending labor shortage and how the industry is combating it through our "America's Hospitality Industry" campaign that promotes careers in foodservice. Watch your local stations for this and other news segments produced by the association.

INFO 88, National Conference on Computers kick off 1988 conference schedule

Last-minute registrations are still being taken for INFO 88, the association's annual conference designed exclusively for independent operators. The dates are January 24-26; the place, Miami's elegant Fontainebleau Hilton.

And the National Conference on Computers in Foodservice, a mecca for operators planning to automate their establishments or to build on systems they already have, is set for March 8-11 at the Hyatt Orlando Hotel in Orlando, Florida. Highlights of the conference include a detailed analysis of today's most popular foodservice systems and workshops on software application. In addition, software and hardware vendors will be on hand to demonstrate their products. This conference is a must-attend event for business owners hoping to remain competitive in today's computer age. Contact the association's Educational Foundation at (800) 424-5156 to register for INFO 88 and the National Conference on Computers in Foodservice.

Operating ratio survey mailed

Finally, the annual operating ratio survey has been mailed this month to key association members. Results of this survey are used to compile the *Restaurant Industry Operations Report*. Please fill out the survey and send it in as soon as possible; all those who respond will receive a free copy of the report when it is published later this year.

It is my pleasure to welcome 170 new members who joined the National Restaurant Association in December. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

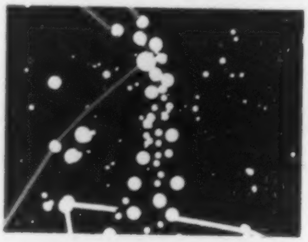
Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: BOTTLED WATERS

11

Bottled waters are rising to the top of the beverage market. As the fastest growing segment of the beverage industry, bottled waters offer a profitable new market for restaurateurs. With health consciousness and alcohol awareness now among the trends driving the industry, analysts believe the impact of bottled waters has only just begun.



SPECIALS

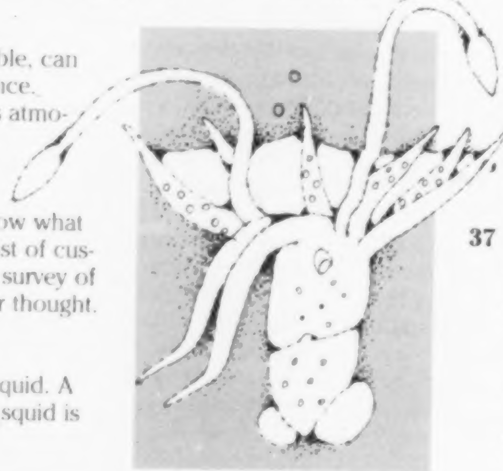
16 Food temporaries
Responding to staff shortages in the foodservice industry, temporary agencies are beginning to supply employees with job skills ranging from dishwashers to executive chefs.

19 Expediters—restaurant air traffic controllers
Taking a cue from air traffic controllers, many restaurants are developing separate expediter positions to maintain calm in hectic kitchens, direct the flow of orders and ensure top quality of delivered items.

22 Restaurant atmospherics
Atmosphere, sometimes an ignored intangible, can make or break a customer's dining experience. Here's how you can target your restaurant's atmospheric elements.

24 Alphabet of gripes
Sure, customers have gripes, but do you know what bothers them most about dining out? This list of customers' top complaints, taken from a Zagat survey of New York diners, will provide some food for thought.

26 Squid
Customers are no longer squeamish about squid. A versatile, multinational and nutritional item, squid is catching on in restaurants.



30 Busing tables—the beginning of a future
For many successful restaurateurs, busing tables has been the first step in their climb up the foodservice ladder. Here is how some self-starters have used their busing experience to good advantage.

32 Other ways to the top
Success stories don't always begin with busing tables. Here is a look at some of the other avenues restaurateurs have taken to the top.

34 Operational reporting systems
Operational reporting systems—which help monitor often overlooked variables, such as service and menu items—can help restaurateurs with operations management, long-range planning and practical decisionmaking. This article outlines how you can develop an effective OR system for your restaurant.

Departments

6 Short Orders
- ☐ Special enrollment for association's disability income plan
- ☐ Association seminar gives pointers on increasing wine sales
- ☐ February is National Cherry Month
- ☐ Hot Shoppes is revealing its "secret" recipes
- ☐ Father and daughter win foundation scholarships
- ☐ Johnson & Wales College selects culinary team

8 Washington Report
- ☐ Congress agrees to FICA tax increase
- ☐ Kennedy, Hatch introduce polygraph bill
- ☐ Association petitions DOL to exempt restaurants from Hazardous Order 10
- ☐ Key contact program boosts lobbying efforts
- ☐ Bumpers speaks out on parental leave

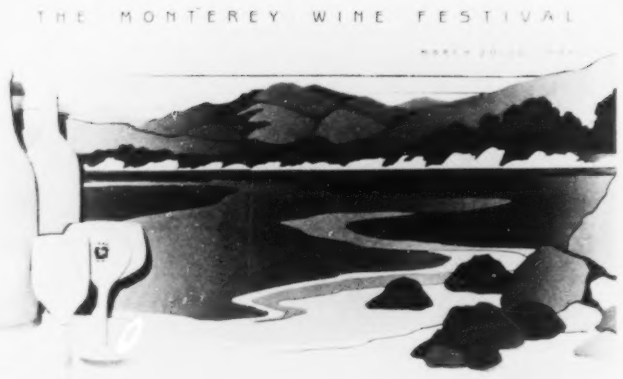
Fisher's Law
- ☐ Singalong

37 Foodservice Trends
- ☐ More lunch options for workers
- ☐ 1988 wholesale food price trends create opportunities
- ☐ Strong customer traffic during summer quarter
- ☐ Economic Censuses provide strategic planning information

45 How's Business?
- ☐ Operators discuss business trends

47 Food For Thought
- ☐ Coke moves in on the coffee market
- ☐ Odorless garlic?
- ☐ Convenient fruit for C-stores
- ☐ Madison Avenue dumps yuppies

Cover photograph by Gary Landsman



The 1988 Monterey Wine Festival poster, designed to commemorate this year's March 20–22 festival, is now available for sale. The colorful poster by Monterey artist Jean Wilsdon Brenner measures 26 inches by 18 inches. Cost is $20 per poster plus $2 for shipping and handling. A limited number of artist-signed posters are available for $35 plus $2 shipping and handling. For further information, write to MWF National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601 or call (800) 247-4448 or (312) 853-2525

Wine sales can go up; seminar gives pointers

"It is easy to increase wine sales as much as 35 percent simply through better merchandising of a restaurant's wines," said wine consultant Edmund Osterland at a recent wine seminar sponsored by American Express at Washington, DC's Vista International Hotel.

"The average wine customer wants to know just two things: what a wine tastes like and whether or not it goes with what he or she is eating," said Osterland. "Because many people are unsure of themselves in a wine-purchasing situation, the best way to sell them wine is to put them at ease by suggesting the proper wine. That means having a knowledgeable waitstaff that is comfortable with recommending an appropriate wine."

Osterland maintains that servers will only want to sell something that is easy to sell and that increases check averages and, therefore, their tips. He even proposes that inexperienced waiters carry a "crib sheet" under their order pads to boost their knowledge and confidence about suggesting a wine that goes with a particular meal.

Creative merchandising helps wine sales, too, such as pairing an appetizer with a complementary glass of wine and offering them at a special price. "People go to a restaurant because they are hungry and thirsty," said Osterland. "Don't serve them free bread and free water. Sell them an appetizer and a glass of wine!"

The National Restaurant Association will be offering a seminar in wine-server training on February 9 in Philadelphia. Also available is a three-part video series for a comprehensive look at merchandising strategies and wine-server selling skills. These videos and Edmund Osterland's book *Wine and the Bottom Line* can be ordered by calling the National Restaurant Association's publications department at (800) 424-5156 or (202) 638-6100.

Special enrollment for disability income plan

A special enrollment period is now in progress for the National Restaurant Association Group Disability Income Insurance Plan. During this time, members under age 60 may apply for up to $1,500 in monthly cash benefits, which would provide a valuable source of income replacement should disability strike. This special enrollment period will end March 1, 1988.

Recent statistics show disability insurance is now ranked second only to life insurance as the most necessary form of insurance. And according to the Health Insurance Association of America, for people between the ages of 35 and 65, disability insurance ranks equal to life insurance.

Disability income insurance protects one of the most important assets: a member's income. When a disabling illness or injury strikes, paychecks stop. But expenses don't. Plus there will be added costs for doctors, the hospital, medications, labs and X-rays, rehabilitation and so forth. Savings and investments can be depleted fast. In fact, according to the *National Underwriter*, 48 percent of the mortgage foreclosures in this country are the result of disability.

The National Restaurant Association Disability Income Plan can help with a monthly tax-free benefit of up to $1,500. Additionally, members may choose when benefits start and how long they will continue. Each person covered by the plan tailors coverage to suit his or her own needs.

Uninsured members will be receiving complete information about the disability income plan in the mail shortly. Further questions may be directed to the association's insurance administrator: Albert H. Wohlers & Co., NRA Group Insurance Plans, 1500 Higgins Rd., Park Ridge, IL 60068-5750. Call toll-free: (800) 323-2106. Illinois residents call (312) 698-2221.

Father and daughter win foundation scholarships

For the first time in 15 years, a father and daughter have won,,in the same year, scholarship awards sponsored by the Educational Foundation of the National Restaurant Association (formerly NIFI).

James Huss, an assistant professor of Hotel, Restaurant and Institutional Management at Iowa State University, won a $1,000 Heinz-NIFI Graduate Degree Fellowship to pursue a doctorate in higher education at Iowa State. His daughter, Patricia Huss, a junior at Purdue University, won a $700 IFMA (International Foodservice Manufacturing Association) Gold Plate Scholarship.

In all, there were seven Heinz-NIFI Fellowships awarded for the 1987-88 academic year and 100 IFMA Gold Plate Awards presented to undergraduate and graduate students.

60 years of Hot Shoppes recipes

For the first time in 60 years, Marriott Corporation is revealing its Hot Shoppes recipes in a full-color cookbook titled *Marriott Hot Shoppes Cookbook: Sixty Years of American Cookery.* The 240-page hardcover anniversary edition is not only a cookbook, but also a nostalgic scrapbook of photos and anecdotes of Americans on the move during the past six decades.

More than 200 of the Hot Shoppes' most popular recipes for classic American dishes are contained in the collection, including such favorites as *Chicken Noodle Soup, Maryland Fried Chicken, Waldorf Salad, Southern Almond Pie* and the all-time favorite drink, *Orange Freeze.*

The publishing of the cookbook breaks a Hot Shoppes tradition of keeping recipes secret. This tradition was established by founder J. Willard (Bill) Marriott at the first Hot Shoppe in 1927.

The dishes have been adapted from the Hot Shoppes recipe cards that Bill Marriott considered to be the key to his success because they enabled his restaurants to create consistent high quality. All the Hot Shoppes' chefs were expected to produce the food exactly as described in the recipe cards. Bill asked his chefs to memorize the cards, and he occasionally tested them on the contents.

J. Willard Marriot in the door of the original Hot Shoppe

Johnson & Wales College culinary team selected

Johnson & Wales College has announced the formation of a six-member student team that will represent the college in international culinary competitions, including the 1988 International Culinary Olympics in Frankfurt, Germany, this October.

The Johnson & Wales Culinary Team will make its official debut in London, England, in January at the Hotelympia, Le Salon Culinaire International de Londres. "Being on the team is a big commitment. The students are in an intensive training program," said Noel Cullen, team manager and director of operations for Johnson & Wales culinary arts division.

All team members are under age 21 and were chosen on the basis of a skills event taken from the Hotelympia competition guidebook. The students were not only judged on originality, work methods and timing, but also on their ability to handle pressure.

The Johnson & Wales College Student Team, left to right: Douglas Alley of Beals, Maine; Suzanne Finkele of Wellsboro, Pennsylvania; Christine Stamm of Bloomingburg, New York; Dannella McWilliams of Gainesville, Georgia; William Erlenbach of Valparaiso, Indiana; and Wendy Geiler of Baltimore, Maryland.

February is for cherries

February is National Cherry Month. Many restaurateurs are finding that a month-long promotion featuring the cherry can be fun and profitable. With events such as Presidents' Day, St. Valentine's Day and, this year, the Winter Olympics in February, it is easy to tie in cherries with other events for effective promotions.

Whether you are serving cherry pie, cherries jubilee, cherry mousse or any of hundreds of cherry recipes, you can make your customers and employees very enthusiastic about this special promotion.

Daily and weekly cherry specials can be promoted using colorful table tents and posters, developed by the Michigan Cherry Committee. For further information, contact Phil Calvert, Michigan Cherry Committee, P.O. Box 30285, Lansing, Michigan 48909; (517) 321-1231.

WASHINGTON REPORT

Congress agrees to FICA tax increase

Bowing to intense pressure from the Reagan administration, House and Senate tax writers agreed on December 17 to a provision bitterly opposed by the National Restaurant Association that would make restaurateurs liable for Social Security (FICA) taxes on *all* reported tips. The proposal, if signed by the president, becomes effective January 1, 1988.

The issue of whether restaurateurs should have to pay FICA taxes on all reported tip income reached a critical stage the first week of December when it came before the Senate Finance Committee. During a closed "mark up" session on December 3, the committee—despite the best efforts of the association and its allies—voted to include the controversial proposal in its final tax package. The full Senate then voted on December 10 to include the proposal in its $9 billion tax bill.

The association had fought the proposal at the subcommittee and committee levels in both the House and Senate, and the Finance Committee was one of the last avenues open to the association to stop the proposal. If enacted, it would require that *all* reported tip income be treated as if it were wages for Social Security (FICA) tax purposes. Under current law, an employer pays FICA on only those tips used to satisfy minimum-wage requirements. Tips that put an employee above the minimum wage are not subject to employer FICA taxes.

Last fall the association stepped up its lobbying effort, both in Washington and at the grass-roots level, in the wake of a November "budget summit" calling for some $76 billion in deficit reductions over the next two years. The results of that summit changed the dynamics of the tax debate, interjecting a new player—the administration—into the proceedings. *(see p 9)*

Kennedy, Hatch introduce polygraph bill

Sens. Edward Kennedy (D-MA) and Orrin Hatch (R-UT) have joined 10 other senators to sponsor bipartisan legislation limiting the use of polygraph testing in the private sector. The bill, S. 1904, was introduced in early December as an alternative to a House-passed bill, H.R. 1212, that prohibits employers from using lie detectors under any circumstances.

S. 1904 would ban all preemployment and random polygraph testing, but would permit regulated lie detector use when an employer reasonably suspects that a particular employee is involved in a workplace crime. The association has said it is willing to support this balanced approach, recognizing that in the absence of this "incident-specific" alternative an absolute ban is likely.

According to Hatch, scientific evidence indicates that "the typical lie detector test given to job applicants cannot predict future performance nor guarantee employee honesty."

Among the other provisions of S. 1904:

☐ The employer must complete a written statement detailing the basis for polygraph testing before requesting that any employee take the test.

☐ No employee could be disciplined or dismissed for refusing the test or failing the test without additional supporting evidence.

☐ The test must be conducted under certain prescribed circumstances.

☐ Employers must post signs explaining when polygraph testing is legal.

Association petitions DOL on H.O. 10

The association has petitioned the U.S. Department of Labor (DOL) for an amendment to exclude restaurants from coverage under DOL's Hazardous Order 10. H.O. 10 prohibits 16 and 17-year-olds from operating power-driven slicers in the slaughtering and meat-packing industries, and DOL policy has been that it applies to retail establishments such as restaurants.

Many restaurants use food slicers on their premises, but operators risk civil penalties if they allow anyone under 18 to operate or clean these machines. The association has argued that modern food slicers, with their built-in safeguards, do not pose a safety problem for employees and that it is questionable whether H.O. 10 should ever have been applied to restaurants. However, DOL maintains that restaurants are covered by the order.

Other machines that have proven to be safe for minors have been exempted from coverage under DOL orders, so there is precedent for exclusion of food slicers on these grounds. For example, bacon-slicing machines equipped with certain safeguards can be used by 16 and 17-year-olds in a restaurant setting, and pizza-dough rollers, covered by H.O. 11, can also be used by 16 and 17-year-olds if the machine has adequate safety features.

Bumpers speaks out on parental leave

Senate Small Business Committee Chairman Dale Bumpers (D-AR) told a group of business lobbyists meeting at the association's headquarters that his colleagues in the Senate are "ambivalent" about a parental leave bill. A bill, S. 249, by Sen. Christopher Dodd (D-CT) would require employers to provide up to 18 weeks of parental leave and 26 weeks of medical leave. Bumpers predicted it would not pass in its present form and speculated that a "watered-down version would have trouble."

(FICA cont'd)

With the administration strongly in favor of a FICA increase, the association knew it would be that much more difficult to keep out the FICA proposal. However, with active lobbying by the state restaurant associations and a revitalized grass-roots "key contact" program, the association felt it could win the issue.

Up until the December 3 committee vote, it looked as if the association would prevail in its effort to keep the administration-backed proposal out of the Finance Committee bill. A number of senators assured the association that they did not favor its inclusion in the bill. However, Treasury officials objected strenuously to its removal and created a situation where other unpopular taxes would have to be raised in order to strike FICA from the bill.

Sen. John Chafee (R-RI) led the fight to keep the FICA increase out of the bill. During committee markup, he moved that the FICA proposal and a 0.2 percent FUTA tax extension be eliminated and replaced with a small increase in the cigarette excise tax. But his motion was defeated.

The association had hoped to achieve some modification to the proposal—such as postponing its effective date—during House/Senate conference deliberations. But in the rush to complete a huge budget reconciliation bill before Christmas, Congress was not willing to make changes in the FICA provision.

Association officials say if Congress persists in treating tips as wages, then the association is prepared to move forward with legislation to substantially increase the tip credit.

Key Contact Program boosts lobbying efforts

☐ **June 4, 1987:** *Nine senators cosponsor a bill that would force restaurant chains of 10 or more units to label the ingredients in their packaged foods.*

☐ **November 16, 1987:** *After only two hearings, the Senate Labor and Human Resources Committee indicates that it may be ready to "mark up"—amend and then vote on—legislation requiring employers to provide health insurance to all employees working more than 17.5 hours a week.*

☐ **January 5, 1988:** *The 100th Congress reconvenes for its 1988 session. Among the bills that might become law this year—if both the Senate and House sign off on them—are bills hiking the minimum wage to $4.65 by 1990 and requiring employers to give new parents 10 weeks of job-protected leave.*

A National Restaurant Association key contact, Denny Hanson (Sheep Shedde Restaurants; Olivia, Minnesota), discusses industry concerns during a meeting in his restaurant with Sen. Dave Durenburger (R-MN).

In the jockeying for access and influence that occurs in Washington, many restaurateurs have lost sight of the important role they can play in the legislative process. The simple fact is that if they take the time to register their personal disapproval or support for a bill, their actions can affect the outcome of an issue.

But without that crucial "contact" from restaurant constituents, members of Congress are apt to be swayed by others who cannot be expected to have the best interests of the foodservice industry in mind. Now, thanks to the association's revitalized Key Contact Program, restaurateurs are learning how to get involved and how to make their voices heard in Washington.

The association's "key contacts" are restaurateurs who have established a relationship with their representative or senator. For many, this is as simple as writing an occasional letter, attending a town meeting or inviting the legislator to visit their restaurant once a year.

When an industry issue comes up for action in Congress, the association pinpoints the legislators who need to be contacted—perhaps the whole Congress, members of just one committee or simply a legislator whose vote is critical. Program coordinators alert key contacts in the relevant congressional districts across the country, who then get in touch with their members of Congress to urge them to vote for or against a proposal.

The Key Contact Program's philosophy is simple: Restaurateurs who take time to get to know their members of Congress have a big impact when they speak out on issues.

Issues are becoming more demanding

"I was never involved before because I felt too busy. I always thought that someone who knew more about the political scene would take care of things," says Bernard Schreiner, a key contact from Schreiner's Restaurant in Fond du Lac, Wisconsin.

Like Schreiner, most restaurateurs are caught up in the hectic day-to-day business of running a restaurant and feel far removed from Washington, DC. "We're novices. We're not politically oriented. We're small businesspeople, barkeepers, hamburger-flippers," says restaurateur and key contact Donald O'Neill (Spring House Restaurant; Rochester, New York).

For whatever reason—time constraints, unfamiliarity with the way Congress works, cynicism about whether calls and letters make any difference—many restaurateurs have not gotten involved in legislative fights.

But last year's unprecedented onslaught of labor legislation—minimum health benefits, minimum wage, parental leave, occupational risk notification and more—is forcing changes. As Schreiner notes, "I finally realized that legislation was coming at my business in record amounts." A Texas snack bar operator sums it up succinctly: "I'm getting involved because Congress keeps dipping into my pocket."

The personal touch

A basic tenet of the Key Contact Program is that legislators will have an easier time understanding a constituent's concerns if they know something about the constituent. A member of Congress who has dropped by a constituent's restaurant for a cup of coffee or a lunch discussion, for example, will find it much easier to describe "real life" concerns when speaking about specific legislation.

The Key Contact Program's philosophy is simple: Restaurateurs who take time to get to know their members of Congress have a big impact when they speak out on issues.

Many restaurateurs don't realize that most members of Congress return home nearly every weekend and during congressional recesses to meet their constituents—in town hall meetings, in roundtable discussions on specific district issues and in individual appointments.

O'Neill took advantage of these "home stays" to invite Rep. Frank Horton (R-NY) and his staff to his restaurant. "I told him there were no burning issues to discuss—that I just wanted to get acquainted," says O'Neill. When Horton confirmed a date, O'Neill also invited several other local restaurateurs.

"Being able to invite a member of Congress to your restaurant makes things a lot easier. It's a familiar spot in the community, and the atmosphere encourages good conversation," O'Neill notes. O'Neill says the two-and-a-half-hour meeting laid solid groundwork for contacting Horton later about legislative issues.

Schreiner hosted a similar restaurant meeting for his congressman, Rep. Tom Petri (R-WI). After discussing the federal legislation, Schreiner gave Petri a tour of his operation, discussing the laws and regulations that govern his business, such as payroll taxes, sanitation requirements and wage and hour laws. "He was amazed at the number of people involved in the business," Schreiner says.

Schreiner points out an extra incentive for a member of Congress to visit a restaurant: The people who are eating and working there are voters also.

Constituent opinions make a difference

Although many constituents believe their congressional representatives are too busy to pay attention to one person's concerns, the opposite is true. Washington opinions, while helpful to members of Congress, don't have much to do with whether voters in their district or state re-elect them.

Restaurateurs who have gotten involved stress that their efforts have been worthwhile. "If they don't hear from us on these issues, they'll have to assume that the legislation does not pose a big problem for us," says Schreiner. "I don't write to be negative or simply to complain. I write to make them understand my side of the story. I think my input helps them make a good decision."

Congressional offices agree that constituent contact makes a difference. "If we get 100 personal letters—not postcards or form letters—on a given issue, that obviously has a big impact on the congressman," says an aide to Rep. Tim Penny (D-MN). Penny serves on the House Education and Labor Committee, the panel that makes the initial recommendations on issues like minimum wage and parental leave.

Rep. Steve Bartlett (R-TX), a member of the same committee, holds weekly staff meetings to review constituent mail—to tabulate numbers and see how opinions are running on different issues. Bartlett reads all letters sent to him.

"Rep. Bartlett uses the mail to learn," says a staff assistant. "He often has an instinctive feeling when a bill is bad. He guesses intuitively, for example, that a minimum-wage increase equals lost jobs. But a letter from a constituent saying she will have to lay off one of her four hostesses, or two of her 12 servers, gives him the real life example he needs. This can be invaluable during floor debate."

Constituent contact is also likely to be critical when a member of Congress is leaning one way or another on an issue. Rep. Liz Patterson (D-SC), one of a significant number of House members who remain uncommitted on parental leave legislation, told an association lobbyist that she and other "uncommitteds" are waiting to hear from their constituents on the issue.

Professional lobbyists are no substitute for constituents. While lobbyists know the legislative process, can target key legislators for intensive lobbying and can come up with the arguments and "macro" numbers to bolster a debate, they are not able to relate a bill's "real life" impact.

Simply put, a trade association cannot reach its legislative goals if constituents at home do not join in the lobbying effort.

Key Contact Program must grow

"This is the first time we've had an organized network of operators in place really prepared to aggressively and concertedly push for the industry's interests," says Paul Lazar (Wharf Tavern, Inc., Warren, Rhode Island), who chairs the association's State Relations Committee that set up the Key Contact Program. "If there's any problem with the program, it's only that we need more key contacts."

More than 270 restaurateurs have signed up since the program began two years ago. Some of these know their members of Congress well; others are just beginning to develop relationships. Most do not consider themselves "political types."

"The Key Contact Program is set up in a way that makes it easy to go to work," says key contact Denny Hanson (Sheep Shedde Restaurants; Olivia, Minnesota). Each key contact receives a binder of information containing biographies of their members of Congress, a congressional schedule listing when Congress is in session or in recess, summaries of each industry issue, and an industry fact sheet to leave with the member of Congress.

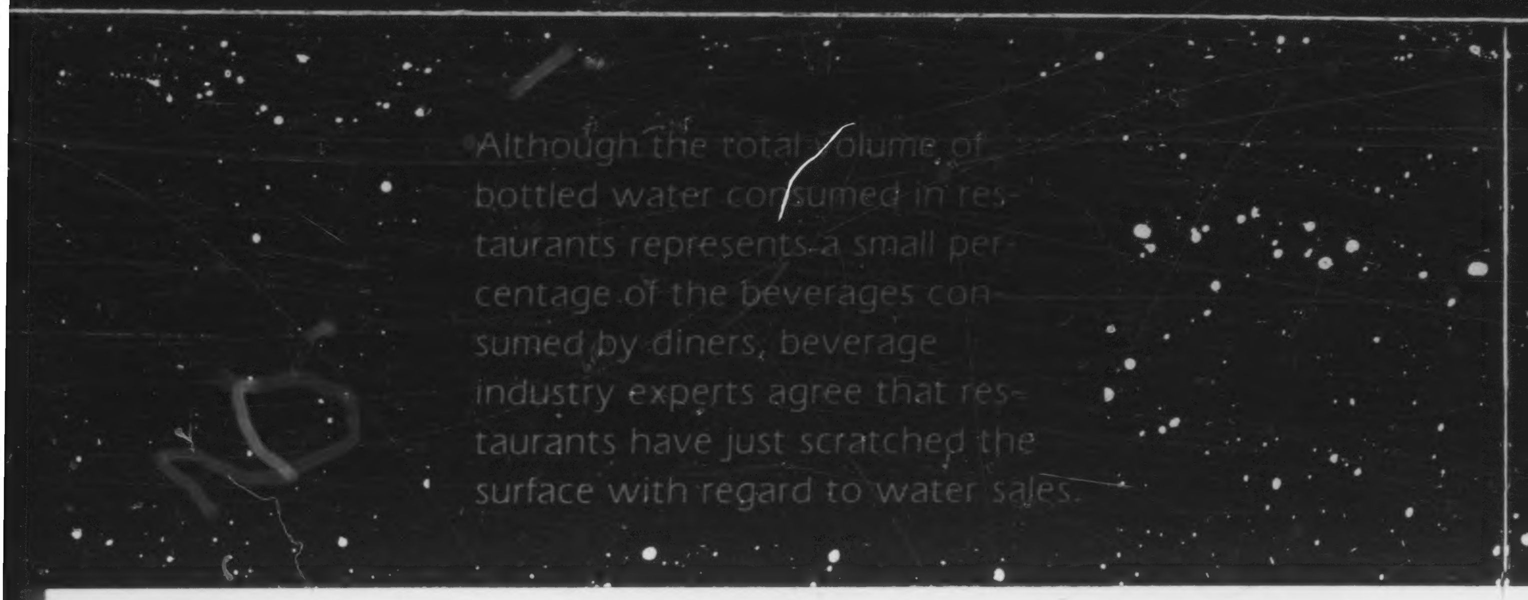
For more information on the program, call the association's state relations department at (800) 424-5156 or (202) 638-6100.

—Jay Morris
—Denise Roach

BOTTLED WATERS

The Beverage of the Future?

Bottled waters are the fastest growing segment of the beverage industry. Some beverage analysts believe the waters' impact on the U.S. marketplace has only begun. With health consciousness and alcohol awareness now among the trends that are driving the industry, consumers are ready to switch from other beverages to waters. Restaurateurs can tap into this growing potential.



Although the total volume of bottled water consumed in restaurants represents a small percentage of the beverages consumed by diners, beverage industry experts agree that restaurants have just scratched the surface with regard to water sales.

by David Slater

David Slater is communications specialist at the National Restaurant Association

Until Perrier's American advertising blitz began to open eyes and whet thirsts in 1975, the United States was considered an undeveloped market for bottled water. But when the floodgates opened, it was like a dam bursting. Today, bottled water is the country's fastest growing beverage, and sales increases in the double digits are expected to continue through 1990.

The water is spilling over into restaurants, too. Bottled waters show the most spectacular growth among all tableservice restaurant beverages. Since 1980, the number of restaurant patrons ordering the beverage has grown more than four times, and the volume of consumption has jumped by almost 500 percent. Operators are pouring premium noncarbonated waters at the table as a point of distinction in their restaurants. And health-conscious customers are quaffing bottles of sparkling waters in lieu of soft drinks and alcoholic beverages.

Although the total volume of bottled waters consumed in restaurants represents a small percentage of the beverages consumed by diners, beverage industry experts agree that restaurants have just scratched the surface with regard to water sales. The impressive growth figures that have already surfaced are leading restaurateurs in all segments to take the plunge into profitable waters.

Untapped possibilities

In 1986 Americans consumed an average of 4.4 gallons of nonsparkling, or still, water and 0.6 gallons of sparkling water. The total of 5 gallons per person was an enormous leap from just 1.5 gallons in 1976. Per-capita consumption is expected to double by 1993.

Drinking prodigious amounts of bottled water may be a novelty for Americans, but it is nothing new to Europeans. The French and Belgians consume more than 14 gallons per head each year, and, in most European countries, a bottle of water at the table is considered almost as necessary as a knife and fork.

The expanding American bottled water market can be divided horizontally into domestics and imports and vertically into sparkling and still waters. The number of brands is mind-boggling. According to the International Bottled Water Association, the Alexandria, Virginia-based trade association for the bottled water industry, there are approximately 450 American bottling plants, which produce more than 600 different brand labels. Many of these brands are regional in origin and distribution.

There are currently more than 50 brands of imported waters, most of which are in the naturally carbonated mineral water category. Few of them are distributed nationally. Perrier, with 1986 sales of $108 million, controls 72 percent of the imported market, but its share is dropping.

Although distinctions among types of water can sometimes be confusing, water enthusiasts believe there to be a correct water for each occasion. In general, bottled still water is most often purchased as an alternative to tap water. Home, office and institutional delivery of bulk water, often in large containers for water coolers and general consumption accounts for a large share of non-sparkling sales.

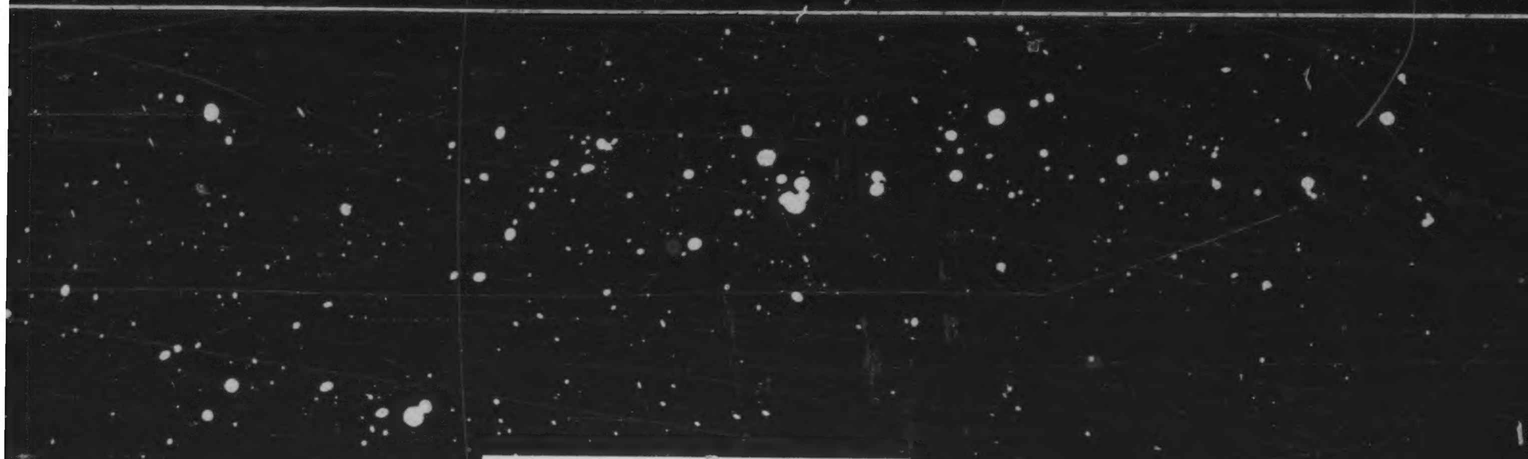
On the other hand, naturally carbonated mineral water, such as Perrier, generally is purchased as an alternative beverage, taking the place of cocktails or soft drinks. A fast growing portion of this segment includes waters flavored with fruit essences or fruit juices.

Customer acceptance

Many restaurateurs have already learned that profits can also flow out of the natural springs that serve as the sources for these beverages. Not every restaurant moves more than 200 cases of bottled water a month, as New York City's well-known Windows on the World regularly does, but a perusal of distributors' customer lists makes it easy to locate operations that go through more than 50 cases each month—without any promotions or staff training.

At Valentino (170 seats), an upscale Italian restaurant in Los Angeles, customers drink up to three cases of bottled water each day. One of the keys, says assistant manager Nessim Cayem, is the variety of waters Valentino offers. The selection includes three still waters, Fonte Vella, Fiuggi and Evian, and two sparkling brands, Perrier and San Pellegrino.

In addition to serving small, 8 to 10-ounce individual bottles, Valentino makes tableside presentations of Evian, San Pellegrino and Fonte Vella in large bottles. The large bottles are served in an iced wine bucket, and, says Cayem, some customers ask the waiter to "just keep our glasses filled." At $2.25 for a small bottle and $5.50 for a large bottle, the restaurant gets a high return on its bottled waters.



An image-builder

Many hotel restaurants, and also some independent operators, such as association director Michael Hurst of Ft. Lauderdale's 15th Street Fisheries, choose to pour complimentary glasses of still water at the table to add, as Hurst says, "a little touch of class." "It's a point of distinction" that is clearly appreciated by the restaurant's customers, says Hurst, who teaches restaurant marketing at a nearby college. He changes the brand of water he uses every few months, depending on the best deal he can get from his distributors.

Other restaurants and hotels have also discovered the sparkling benefits of bottled waters. At Cricket's (105 seats) in the Tremont Hotel in Chicago, associate food and beverage manager Francis Johnson finds that bottled water "affords a luxury that goes hand-in-hand with a luxury hotel." At Johnson's suggestion, the Tremont also recently began a well-received amenity program that includes complimentary bottled water in the rooms of VIPs.

Also boosting water's image as a luxury item is the Water Bar, which was opened last year at the IXI:Z men's clothing store in Beverly Hills, California. The bar, which was opened as a service to the store's customers, offers 110 varieties of bottled waters, ranging in price from $1 to $5. According to "bartender" Duane Bolden, "the popularity—and media attention—has been consistent since the week we opened."

The catalyst: health consciousness

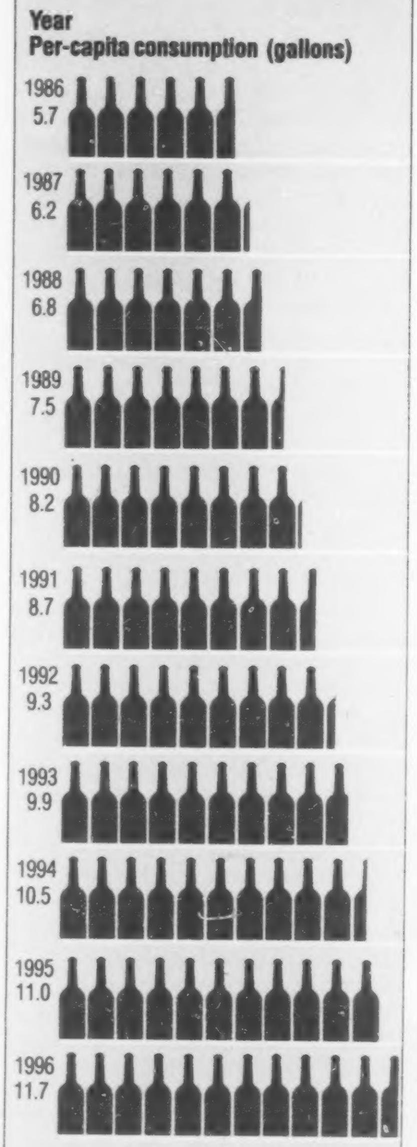
The reasons behind the bottled water boom can provide operators with clues to marketing the fashionable product. The bottled water industry is in the enviable position of serving two growing markets. First, there is the drinking water market—people who are concerned about the quality of municipal water supplies. These fears about water supplies vary from region to region, but, according to Michael Bellas, president of the Beverage Marketing Corporation, they are growing rather than diminishing.

The second, overlapping market that has fueled the explosion of bottled water in the last decade is the health-conscious market—consumers who are drinking bottled waters an alternative to soft drinks and alcoholic beverages. Refreshing, calorie-free mineral water, with no additives or preservatives, found an instant audience with running enthusiasts in the late 1970s. And as we move into the next decade, experts predict that bottled water is already becoming less a luxury item and more a staple in American refrigerators.

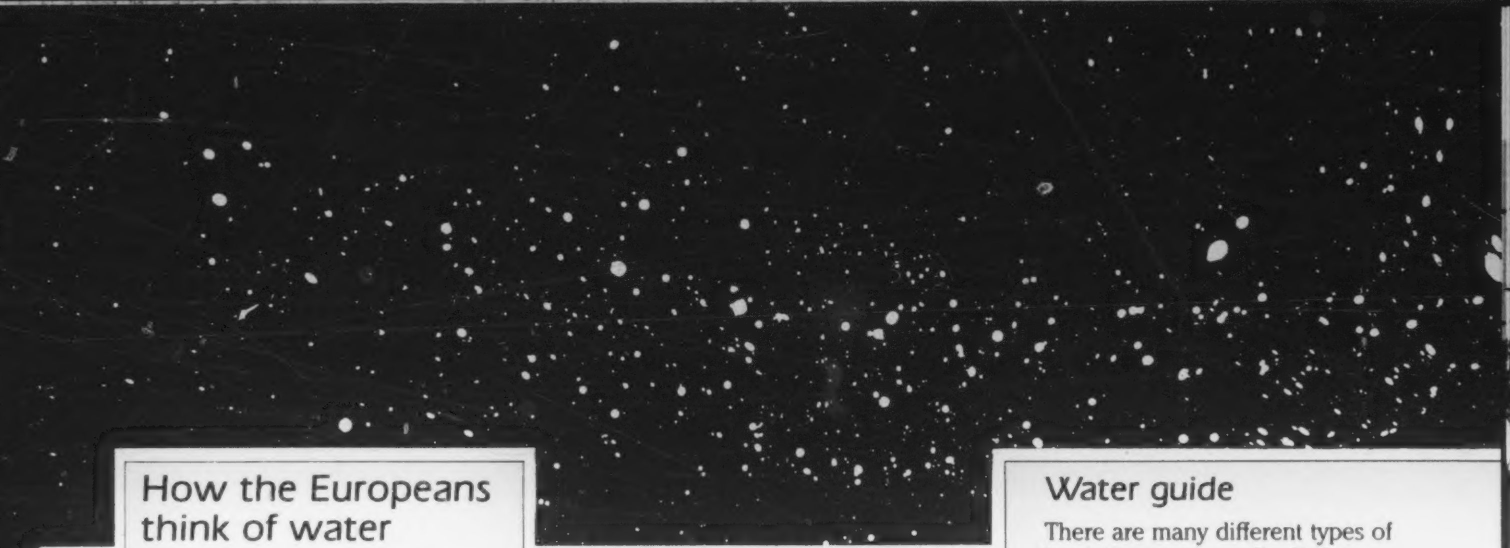
Bob Levin, a Miami, Florida-based distributor for Mountain Valley water, has believed for years that bottled water is "the beverage of the future." A decade ago, Levin formed a group called "Les Amis de L'Eau" ("The Friends of Water") and held two water tastings in Miami. The second tasting, in March 1978, was attended by more than 400 water lovers from throughout the United States and several foreign countries. Six foreign and domestic waters were rated for flavor, color and aftertaste.

"Fans of water are just like fans of wine or food," says Levin, who believes there is still a lot of room for expansion of water sales in American restaurants. "Restaurants are missing the boat if they don't have a few varieties on their menu," he adds.

U.S. bottled water market projected per-capita consumption (1986–1996)



Source: Beverage Marketing Corporation; Beverage Data Bank



How the Europeans think of water

Bottled water industry experts acknowledge that there are dramatic differences between the European and American concept of bottled waters. Europeans have for centuries believed in the health benefits of various waters. They consider some waters to be ideal diuretics, others to be aids to digestion and still others to be ideal for mixing baby formulas. In addition, to Europeans it is important that their mineral waters are bottled at their source.

Although European water companies support the beliefs about the therapeutic values of their water with largely unsubstantiated claims, bottled waters sold in the United States are prohibited by law from making health claims. American water distributors do not consider these laws to be a problem, however, because Americans are believed to be more interested in the purity of their water than in the water's source or mineral content.

The American interest in purity is evident in the marketing strategies of various water companies. For example, Eau Canada Sparcal, which is currently being introduced to the Northeast United States with a $3.5 million advertising campaign, is using a "no aftertaste" theme as the basis of its assault on the prevailing brands. Sparcal's initial promotional headlines include: "If you drink Sparcal . . . you'll never have to taste water again" and "Sparcal . . . for people who don't like the taste of water." At restaurants, says John H. Bergmann, the Sparcal importer, the company will emphasize that its water does not "interfere" with the taste of the food.

Restaurants—a natural market

Bottled water's sales potential in restaurants is demonstrated by the eagerness with which distributors market their waters. According to John H. Bergmann, who is introducing Eau Canada Sparcal to the Northeast American market, restaurants play an important role in the success of a bottled water. "Our restaurant sales, we hope, will probably be comparable to those of the other imports—25 percent or less of total volume. But restaurants also are especially important in that they give the thrust to the market," he says.

One of Sparcal's selling points in restaurants, says Bergmann, will be the company's distinctive bottle, which, with its tapered, triangular shape, "will not be out of place in a champagne bucket." Its crystal-clear glass suggests a pure, clean product with nothing to hide, he adds, in what seems to be a challenge to Perrier, the best-seller in the ubiquitous green bottles.

One of the country's fastest growing waters, San Pellegrino, got its initial foothold in America by gearing its marketing to Italian restaurants. "The beginning of our marketing programs is to go through restaurants," says Mark Goldstein, vice president of San Pellegrino USA. Italy's best-known mineral water, San Pellegrino is now reaching out to nonethnic restaurants in the United States. "Overall, we doubled our sales in the past year, and we're ahead of that pace at restaurants," says Goldstein.

Perhaps it is because Americans are so unsophisticated in their knowledge of good water that bottled water companies see fit to emphasize the beauty of their bottles and, even more commonly, the legends and his-

Water guide

There are many different types of bottled waters, usually distinguished by their source as well as by their level of carbonation, taste and mineral content. Mineral waters are most often sparkling and are used as an alternative to soft drinks and cocktails or used as a beverage. Bottled "drinking waters," on the other hand, are consumed as an alternative to tap water.

The U.S. Food and Drug Administration (FDA) defines bottled water as "water that is sealed in bottles or other containers and intended for human consumption." The water can range from common tap water put in bottles to carefully controlled natural mineral water drawn from underground springs. Here are some definitions:

Drinking water. Bottled water obtained from a government-approved source and then treated before bottling. The water must always be processed in some way, such as filtration and ozonation, or an equivalent disinfection process.

Natural water. Water that is obtained from protected underground sources—springs or wells—without processing can be labeled "natural." In essence, the composition of the water remains the same even though it may undergo filtration or purification. It is unprocessed or "natural" water—just as it came from the source under the ground.

Spring water. Water from a deep underground source that flows naturally to the surface is called spring water. If that water remains unprocessed and unchanged—nothing added, or taken away—the term "natural" may be added, and the product is then

As the trends in dining out continue to shift toward items that are light, natural and nutritious, bottled water may become as obvious an accompaniment to a fine meal as is a good bread or wine.

called "natural spring water."

Seltzer. Seltzer is generally tap water that has been filtered and then artificially carbonated and has had mineral salts added for flavoring.

Distilled and demineralized water. Minerals may be removed from water in a variety of processes, such as distillation or osmotic filtration. Under normal circumstances, this water is not intended for use as drinking water.

Mineral water. The FDA, in its regulations of bottled water, specifically excludes mineral water. Because there are no national standards or definitions for "mineral water," that term can be rather misleading. All water has some mineral content unless it has been artificially demineralized. The amount of minerals can vary widely—and does. (The state of California insists on 500 grams of mineral salts per liter in a recognized mineral water.)

Carbonation. For those mineral waters that are bottled and sold as carbonated or sparkling waters, the following information would be declared on the label: (a) "Naturally carbonated mineral water" or "Naturally sparkling mineral water" means water whose carbon dioxide content is from the same source as the water, (b) "Carbonated natural mineral water" or "sparkling natural mineral water" means water to which has been added carbon dioxide of an origin other than the water table or deposit from which the water comes; and (c) "Carbonated drinking water" means water to which has been added carbon dioxide of an origin other than the source water.

—San Pellegrino USA and the International Bottled Water Association

tories associated with their waters. Perrier points out that their water was bottled by decree from Napoleon in 1863 "for the good of France." San Pellegrino boasts that Leonardo da Vinci visited its source in the Italian Alps to "take the waters." The admirers of Mountain Valley, an American still water from Hot Springs, Arkansas, included Elvis Presley, Joe Louis and even Secretariat, the racehorse. And Aussie Blue, a flavored Australian water which will soon reach our shores, is linking its water to the myth of the Australian "Blue Kangaroo."

Marketing

Operators agree that even without promotion, bottled water sales can become significant. As the American per-capita consumption increases from a projected 6.2 gallons in 1987 to nearly 12 gallons in 1996, restaurants should anticipate a continued strong demand from an increasingly sophisticated bottled water market.

With profit margins similar to those of beer and wine, savvy operators are already promoting bottled waters as aggressively as they have traditionally pushed alcoholic counterparts. Water tastings and "water of the month" efforts are two of the promotions that have been borrowed with success from the wine and beer industry.

Operators can place themselves on the forefront of the bottled water movement by offering a menu of waters that complement each other as well as the restaurant's food. Different mineral and carbonation levels make certain waters more attractive to individuals and more appropriate to certain situations. For example, Perrier's heavy carbonation makes it an excellent aperitif. The lighter sparkle of San Pellegrino goes well with food, and still waters, such as Evian or Mountain Valley, serve as refreshing table waters.

Restaurateurs who leave it to their customers to discover the differences among the many waters may be doing a disservice to the tasters as well as to themselves. A well-trained staff that can suggest appropriate waters, or a special water menu that lists the merits of each beverage, can be an effective sales tool.

Operators with a large water list will also find it easy to couple ethnic waters with ethnic foods. Badoit, Perrier and Evian can be served with French specialties. Fonte Vella, from the Geron province of Spain, can be paired with Spanish foods. And German meals can be complemented by the sparkling carbonation of Apollinaris or Gerolsteiner Sprudel.

Although carbonated waters generally are considered "more sociable" by the American public, bottled still waters, too, should find more of a place in restaurants over the next few years. According to John Bergmann of the Mineral Water Company of Canada, "The American consumer has been taught to prefer the carbonated water. But there is definitely a need for a still water, too, that can serve as a refreshing, pure table water." When still water is used as table water, Bergmann adds, the beverage should be served chilled and not with ice cubes made from tap water.

The rising per-capita consumption figures for both still and carbonated water seem to suggest that the public is ready to investigate the subtle benefits of bottled water. As the trends in dining out continue to shift toward items that are light, natural and nutritious, bottled water may become as obvious an accompaniment to a fine meal as is a good bread or wine. ❑

Max Karl, Winkler

TEMPS

CAN THEY HELP YOUR LABOR SHORTAGE?

by Marcia Hibsch Coppess

The labor shortage caused by thinning ranks of young, entry-level workers and stiffer immigration laws has spawned a number of creative attempts to deal with staffing problems.

The latest entrepreneurial effort to solve staffing dilemmas is the private agency that offers temporary employee placements. Depending on the agency, employees are available with skills for jobs ranging from dishwasher to executive chef, from hotel administrator to controller or marketing director.

It is difficult to predict whether this service will become a trend. Critics question the quality of temporary employees, their ability to step into a unique facility and be of value and the cost of using them on any regular basis.

Those who favor the idea point to the flexibility of staffing as a possible cost-saving measure, the possibility that temporaries will be motivated employees who enjoy charting their own course and may work harder and the fact that the cost of temporaries may be a necessary evil in the growing search for sufficient staffing.

Temporary agencies run their businesses in a similar fashion, whether the employee being placed is a doctor's receptionist or a fry cook. The company needing help calls the agency, explains its requirements and agrees to an hourly fee. The agency then reviews its database of available employees and makes the closest match it can. The employee reports for work, completes the assignment and is paid by the agency, which then bills the company.

Marcia Hibsch Coppess is a freelance writer in Arcadia, California.

What it costs

The hourly rates range from 50 to 150 percent above the wage a company would pay a permanent employee. For instance, a restaurant might pay $16 per hour for a fry cook when it usually pays $6 per hour (plus any costs for benefits, insurance, etc.). The additional cost charged by the agency covers the agency's overhead and profit, worker's compensation, liability insurance and employee benefits, if they are provided to the employee by the agency. When benefits and worker's compensation are not handled by the agency, the employee acts as an independent contractor. He or she is then paid a higher hourly wage by the agency but shoulders the costs and responsibility of taxes and insurance.

Some restaurateurs support the idea of temporary help as a source of occasional emergency staff. Others rely on a service to get them through particularly hectic periods. When Marriott's headquarters in Washington, DC, remodeled its kitchen last summer, food stations were set up on every floor of the building. Food was prepared in the test kitchen, and runners were kept busy delivering food and shuttling equipment. To handle the extra manpower need, Brenda Soper, general manager of foodservices, used a number of temporary employees from FOODTEMPS, a growing chef-to-go agency servicing the Washington, DC, and Baltimore areas.

"In the past when I've used services, it has taken a couple of days for the temporary employee to get acclimated," Soper says. "But these people showed up with their own tools and knives, in uniform and ready to work. I was amazed at the caliber of the staff that was sent here."

What positions make the most sense

Few people in the restaurant industry or at temporary agencies recommend using a temporary service for waitstaff. It appears that the greatest value of temporary employees in the restaurant industry may lie in three areas: as seasonal and emergency fill-in personnel, entry-level utility workers and interim management consultants.

For businesses with close ties to tourism, weddings or other seasonal catering considerations, temporary employees can fill gaps during peak seasons without threatening cash flow during off periods. Rather than handling massive hirings and layoffs every year, such companies could turn over their personnel concerns to an agency. The disadvantage to this staffing solution, of course, is cost. The expense of depending on a temporary service for seasonal needs requires that the company's profit margin be substantially wide to shoulder the additional expense.

Who's doing it

Currently, at least four agencies market their temporary employee placement services to restaurants, caterers and hotels. In 1986 Penelope Pate-Greene and Ann Brody parlayed their backgrounds in wholesale and corporate specialty foods into FOODTEMPS, which now has a roster of about 150 cooks and chefs.

Many FOODTEMPS contractors have culinary jobs elsewhere or are specialty food entrepreneurs willing to work a few extra shifts a week to pay the bills. Cooks are required to have commercial experience, and every FOODTEMPS employee must have basic food preparation skills.

Chef supervisor Lucretia Welty screens prospective FOODTEMPS employees. After reference checks and an interview that lasts at least an hour, Welty tries out each applicant in the kitchen.

"When a restaurant needs two people, I take an applicant along and work with them to see what they're made of," she says. "Then, we categorize them by their skill level. We start them out at tasks they can easily handle. When they prove they can do more, we give them more responsibility."

Pate-Greene says that her agency is especially helpful to restaurants in the midst of an emergency. "We can give them some breathing space," she says. "They can worry about the chef walking out and taking the kitchen staff with them, while we get the meals prepared that night."

Uniforce, a publicly held company with 65 offices nationwide, specializes in placing entry-level and hourly personnel in light industrial, food production and clerical positions. An employer pays about 50 percent above the standard wage when using a Uniforce employee.

Rosemary Maniscalco, executive vice president, says that Uniforce has recently focused its attention on the

Should you use temporary employees?

Using a temporary employment agency to fill staffing gaps is a relatively new concept in the food industry, and it may be a challenge to imagine how it could work for your business. When thinking about using an agency to employ temporary personnel, consider these questions:

☐ Does the agency work regularly with other foodservice clients, and is it willing to offer them as references?

☐ Does the temporary service offer you a money-back or exchange agreement if the employee is not up to your standards?

☐ Who will be responsible for any damage the temporary employee may cause while working at your facility? How much liability insurance does the agency carry? Are its temporary employees bonded?

☐ How much information will you be given about the prospective employee before he or she reports for work? How much screening will be completed by the agency?

☐ If the chef calls at 9 a.m. to announce that he or she will not be in for the dinner shift, how quickly can the agency fill the position for you?

☐ Does your business have a training manual or organized method of operating that will be easily understood by a newcomer?

☐ Will there be a permanent employee on site who can guide the temporary person through the shift, if necessary?

☐ What will cause more headaches: missing a person during this shift or paying the extra fees for a temporary employee?

hospitality industry. "Several of our offices are now placing employees in theme parks, hotels, fast food outlets and other facilities," she says. "Most of the positions we fill are in the unskilled entry-level areas—dishwashers, food preparers, buspersons and counter servers."

At the other end of the employee spectrum are two West Coast companies that place management and administrative personnel in temporary positions. The Corporate Staff, based in San Francisco, caters to small businesses that need executive staff but can't afford them full time, and to large businesses that require occasional high-level experts for one-time or annual projects. The agency has about two contractors with experience in restaurant or hotel operations. They would be appropriate for marketing, administrative, management and financial positions.

"Temporary services placing professionals is a growing trend," says Clebe Best, senior associate of The Corporate Staff. "Companies are scaling down the number of full-time employees they use and filling in with temporaries. That downsizing has provided us with a pool of talented consultants and with companies in need of temporary employees."

James J. Bright, Jr., president of Roth Young, an executive placement firm in Los Angeles, agrees that temporary employees are in demand. His company has just begun The Interim Executive, a temporary placement service of middle to upper-level management personnel. The service hopes to help small and new companies that may need top-level personnel to get the company up and running.

"Many new companies need an executive to get them started but can't really afford someone permanent," he says. "We can bring in a manager or controller for 15 or 20 hours a week until the company is strong enough to hire a less-experienced person to run the system our person sets up."

Is it a smart move?

Some restaurant operators and industry observers wonder whether it is smart, financially and practically, to bring in a temporary employee who is unfamiliar with their restaurant and pay a premium wage while the person learns the system.

One owner of a group of 24-hour coffeeshops says: "We have a computerized menu list with dozens of items. I don't see how anyone, no matter how well trained they are, could walk in here and be of any help on a temporary basis. It takes my new employees at least two days to be able to work on their own."

Janet Lowder, manager of the restaurant consulting group of Laventhol & Horwath in Los Angeles, doesn't believe temporary employees will become an industry trend.

"The industry is too diverse for this to be a solution for every operation," she says. "Running a restaurant isn't like building a plane or answering a switchboard. Temporary employees may work well in a frozen yogurt operation, but I can't imagine the chef or owner of a small fine-dining establishment entrusting his recipes to a temp."

Pate-Greene has responded to those arguments many times. "When we had this idea, we asked everyone we knew in the business whether they would use temporary cooks and other personnel when they had a hole in their staff," says Pate-Greene. "Every one of them said it would be too much trouble and would never work. But we were convinced there was a need. Now we have many clients who are so satisfied they call to request their favorite people."

Who gets hired

"Consistency is very important to any restaurant," she agrees. "If you have an emergency in the kitchen and bring in someone off the street, your consistency suffers. But an agency that has prescreened cooks and chefs can help a restaurant maintain its consistency by providing personnel that have been trained to follow the standard operating procedure of the restaurant."

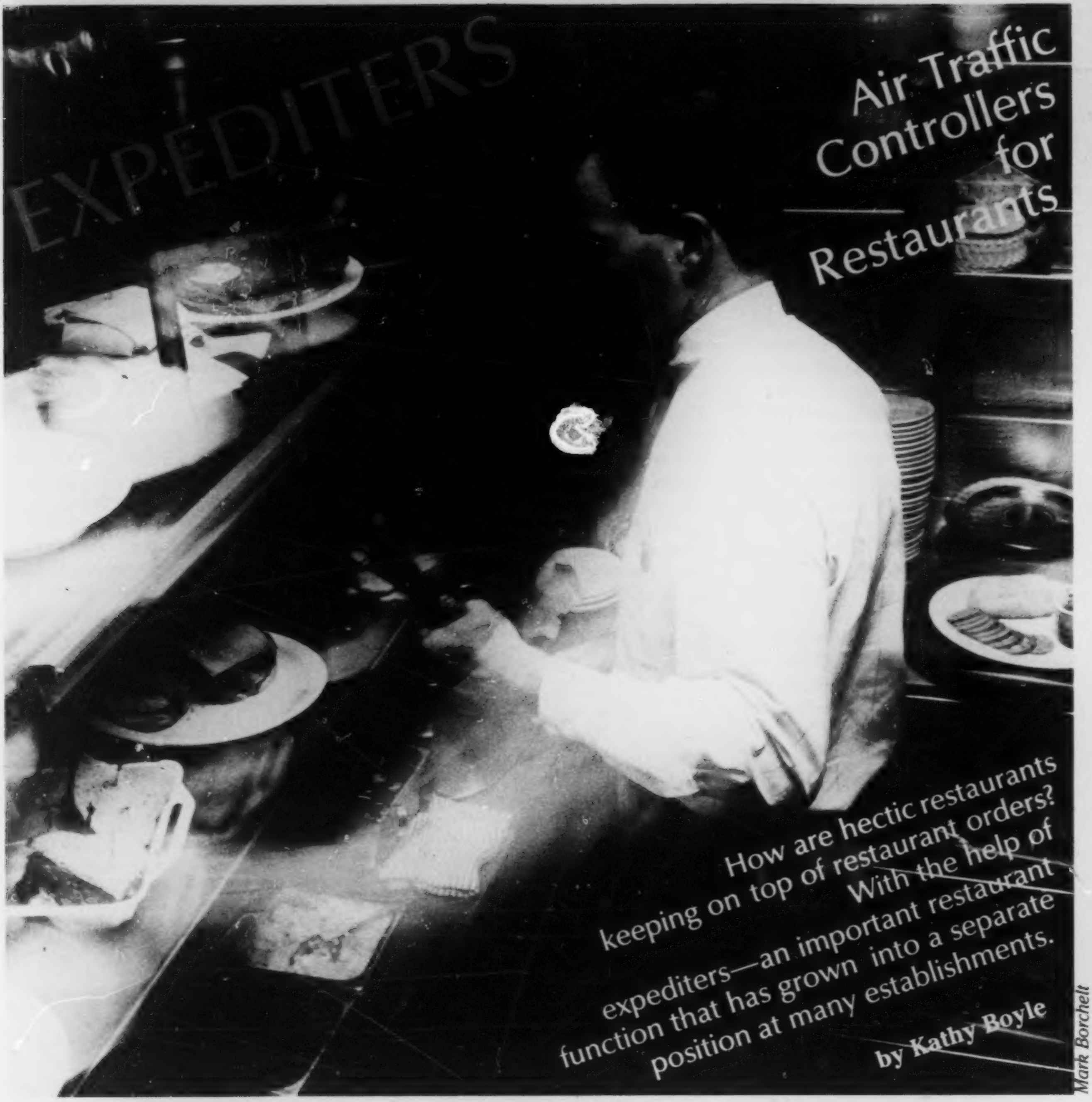
Chef supervisor Welty is the kind of employee a temporary agency specializing in professional cooks and chefs tries to find. A 1979 graduate of the Culinary Institute of America, she worked in a variety of cook, management and chef positions but didn't like the demand of a full-time kitchen position. While considering a bakery position, she agreed to take a few FOODTEMPS assignments during the Christmas holiday season. She values the freedom to choose assignments and schedules and has no plans to seek a permanent placement.

"Working for FOODTEMPS is still a hectic life, but I don't have pressure on me as I would in a full-time kitchen job," she explains. "Now I wake up every morning thinking about the new job I'll be doing rather than dragging myself to the same kitchen and the same menu day after day. My creativity is at an all-time high because I learn something new every day."

Pate-Greene does not see temporary agencies as the sole solution to the industry's labor woes. She believes that temporary agencies and other new methods of finding available personnel will have to work together to fill the kitchen, office and front of the house in the nation's restaurants.

Part of the solution

"In the next decade, with the possibility of mandatory benefits and an increased minimum wage, more will be coming to bear on the restaurant owner and small foodservice operator," she predicts. "They will have to find alternatives to the labor shortage and the shortage of trained culinary personnel, as well as provide benefits to their staffs. Temporary agencies will not be the only answer, but they will be part of the solution." ❑



Mark Borchelt

EXPEDITERS

Air Traffic Controllers for Restaurants

How are hectic restaurants keeping on top of restaurant orders? With the help of expediters—an important restaurant function that has grown into a separate position at many establishments.

by Kathy Boyle

Imagine a major airport without an air traffic controller. That, says Virginia Richards, director of menu merchandising and promotions for Marriott Hotels and Resorts, would be like a restaurant without an expediter. Operating as the air traffic controller of the restaurant, the expediter is the focal point for orders going in and coming out of the kitchen. The expediter serves as the final checkpoint for quality control before the plate goes to the guest. The expediter acts as an intermediary when an order is either entered incorrectly from the dining room or prepared incorrectly in the kitchen. The expediter is a leader whom others on the staff look to in times of panic. And like air traffic controllers, expediters succumb to the same high stress and burnout in their jobs. Without them, contend many restaurateurs, operations would be at a loss, especially during the chaos of peak periods. "They are the most important person in the restaurant after the dishwasher," maintains chef Georges Masraff of the 894-seat Tavern on the Green in New York City. "They are the restaurant's human computer."

Many restaurateurs believe the position of expediter is as old as restaurants themselves. Even restaurateurs who have only recently added the separate expediting position admit that they have always had someone who functioned as an expediter. In many cases it was the cook or chef who directed the flow of food orders, but acting as expediter took away from the chef's valuable time. Eventually, many restaurants began hiring or appointing someone else to handle

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expediting functions to free up time for the chef.

Traditionally, expediters worked an entire shift, even if they attended to other duties in off-peak moments. Today, however, a few operators are testing part-time expediters who arrive just for peak periods to smooth the flow of orders and to ease burnout. Several operators who have tried part-timers note that retired cooks or chefs who can command the respect of younger people are among some of the best qualified for the position. Other operators, however, are skeptical of using part-time expediters. They contend that since the expediter is the final quality checkpoint for the restaurant's product, this individual should be a member of the management staff or, at the very least, a full-time, experienced employee.

"One popcorn on the rail"

Moving the food out of the kitchen in the shortest time possible is the motto of the expediter. Speed of service, in fact, was what prompted Marriott Hotels and Resorts to add expediters during the past two years to busy properties. "Two years ago we did a survey and found that speed of service was important to our customers, especially at breakfast and lunch. And, in our fine dining restaurants, where patrons dine at a slower pace, we wanted the expediter as the quality checkpoint," says Richards.

Working from an operations center—generally placed in the center of the line in the kitchen—the expediter may bark orders over a microphone or shout them over the noisy hubbub to the cooks on the other side of the line—usually in a kitchen code. "Give me bacon two times," is short for two bacon omelets at the Tavern on the Green in New York. "One popcorn on the rail," is the call for a *Cajun Popcorn* (fried crayfish tailmeat in batter with a sherry sauce) done extra fast at Atchafalaya River Cafe in Addison, Texas. And "two cakes" is short for two crabcakes at Clydes of Georgetown, a 180-seat restaurant in Washington, DC. Although not impossible to learn, each restaurant has its own jargon, and familiarity with the kitchen's menu as well as its code is the minimum prerequisite for being an effective expediter.

Just weeks after opening the first of four Atchafalaya River Cafes, 400-seat Cajun-Creole restaurants in Texas, Atchafalaya quickly moved to add an expediter to the staff. "When we first started five years ago, I was cooking," recalls Gene Osborne, kitchen manager for the restaurant in Addison, "but in the first couple of weeks we had so much volume that we found it was too confusing to run a ticket in the kitchen and cook, too."

Precision timing: a must

Today, Atchafalaya has a fairly sophisticated expediting system in each restaurant. Osborne, as kitchen manager, acts as expediter and is assisted by two other expediters—day and evening assistant kitchen managers. The expediter sits in front of the main line with a ticket machine that produces two printouts. One printout goes immediately to the salad prep and the other is for the expediter. With ticket in hand, the expediter sets to work, calling the order over the microphone. Says Osborne: "A typical order might be *Blackened Ponchatrain* (blackened redfish with a lump crabmeat topping), fried shrimp, two shrimp ettoufee and a prime rib. Each needs to be cooked a different amount of time." This is where the expediter's knowledge of cooking times comes into play. With up-to-the-minute precision, the orders are called in sequentially, so each of the entrees arrives simultaneously on the line for grouping on a tray to go to the dining room.

During peak times at the Tavern on

Part-time expediters

Although some restaurants utilize part-time expediters, others feel strongly that it is not a good idea. "We stray from part-time in this position," says Gene Osborne, kitchen manager for Atchafalaya River Cafe in Addison, Texas. "I want someone who can monitor the quality of the food; someone experienced. If the food is prepared incorrectly, the expediter must go to the cooks and deal with them. If the food is prepared beautifully, the expediter must know that too, and compliment occasionally. This takes knowledge, skill and experience."

At General Mills Restaurants and Stouffer's Top of the Sixes the thinking is the same. "We do not hire expediters from the outside," says Anne Powell, manager of media communications for General Mills Restaurants, Inc. in Orlando, Florida. "Without experience the person would not know our cooking methods. Usually the expediter is someone in store management."

"The expediter is always a management-level person," says Gary Sharpe, general manager of Stouffer's. "The expediter is the last person to see the food, and he or she should be management level, because it is our stamp of approval on our product."

But other operators are opting for part-timers if they have what it takes. Marriott's Foodservice Standards Manager Lisa Richmond explains, "What we need is someone who has an aura of authority, yet reports to the chef."

Executive Chef Michael Norton of the Breakers notes that in Florida—where there are plenty of retirees—he occasionally uses the talents of a retired chef during peak service times.

Clydes is another restaurant that utilizes part-time expediters during peak times. "Obviously, expediting really takes place between 11 to 3 for lunch," says Corporate Chef Tom Meyer, "and even with an hour to setup the station, and an hour to break it down, you are only dealing with a six-hour day." But the expediter cannot just be any part-timer, explains Meyer: "During peak times, like Sunday brunch at the Georgetown Clydes where we may serve 1,000 meals, the expediter must be very experienced and know the staff and the food. For brunch we do a lot of similar omelets, and you have to know one from the other when you are doing up to 40 plates and 10 tickets at once."

the Green, for example, the expediter puts in between 350 to 500 orders an hour. This volume necessitates a log sheet which the expediter maintains in front of the operations desk (a makeshift affair composed of several plastic milk crates) in the middle of the kitchen facing a battery of stoves. At some operations the setup is much more elaborate.

Rotating menus challenge expediters even more. At The Breakers Hotel in Palm Beach, Florida, where the main dining room seats 750, not only does the menu rotate on a 14-day cycle, but the dining room also does a huge volume. "We do approximately 1,000 covers each evening," says Michael A. Norton, CEC, and executive chef at The Breakers, "but within each meal are five courses, adding up to 5,000 courses coming out of the kitchen during dinner." With so many variables Norton doubts he will ever find a computer to meet the complexities of such a massive operation. In the meantime, The Breakers' expediter coordinates the flow to the front line, concentrating on the main-line entree, manually tallying orders and grouping them appropriately.

Even when there is technical help, such as remote printers within the kitchen, it still takes an expediter to make the orders come together. At the 250-seat Old Ebbitt Grill in Washington, DC, one of the seven restaurants operated by Clydes Restaurant Group, "the expediter gets the master ticket," explains Hank Hemmendinger, general manager of Clydes of Georgetown. "The ticket may include a cold appetizer and a salad which are crossed off as they are sent out." At this point, the expediter, who Hemmendinger says never sits down, keeps on top of others in the kitchen. Although the broiler or fry station may each have its own copy of its portion of the ticket, the expediter keeps talking and cajoling until all the various items come together while they are still hot.

To help the expediter deal with fellow employees on both sides of the house, some restaurants post the duplicate of the order ticket. At Stouffer's Top of the Sixes, overlooking Central Park in New York (235 seats), general manager Gary Sharpe uses a fairly simple, yet very effective, system of displaying orders on a board. Displaying the duplicate copy of an order on a board in the kitchen, Sharpe feels, has a calming effect on servers. "We get two copies of the check," explains Sharpe. "One goes to the expediter who calls for the food. The other copy is placed on a plastic board in full view of both kitchen and waitstaff. With the check displayed on the board, servers can see it and know their food is in the works."

This idea is taken a step further at the Golden Mushroom Restaurant, a 252-seat restaurant in Southfield, Michigan, where owner Reid L. Ashton developed his own electronic touch screen as an expediting aide. The touch screen, located in the kitchen, is managed by the chef and is powered by an IBM PC, Jr. computer and hooked to two TV screens that face the servers at either entrance to the kitchen. By checking the screens servers can tell where their order is on the line. The bottom row of the screen show orders that have been entered but have not been acted upon. The middle row shows orders that are being fired and will be up shortly, and the top row shows orders that are ready.

Ashton says the system has helped the front of the house enormously. "If there is only one table ahead of a server in the middle grouping," explains Ashton, "he or she knows there is not enough time to greet a new table and give an eight-minute dissertation on the evening's specials. However, the server does know there is just enough time to bring a guest a cocktail and be back in time to pick up their order when it is hot."

Not always the same job

The role of the expediter is usually very clearly defined within a restaurant, but it may vary from one restaurant to another. Moving the food out is always the main priority, but there may be other duties as well. Some restaurants, for example, require that expediters garnish dishes.

At Marriott restaurants, the expediter stands on the service side of the cooking line, takes the plate when it comes up and does any last-minute preparation, such as adding a slice of tomato or garnish. "This is where their previous training is important," notes Lisa Richmond, foodservice standards manager for Marriott Hotels and Resorts. "They have memorized each plate and what accompaniments go with the plate. They set up their own line, with sour cream, parsley, garnishes, and utensils, such as a butter scoop, that they may need for last-minute details." In other establishments, expediters add the garnishment only if it is missed.

Personality requirements for the job

Obviously, the job of managing the flow of food is not a simple one. It takes a strong individual to maintain order in a chaotic kitchen. When the qualities for the position are tallied, they include: patience, attention to detail and quality, unflinching accuracy and good management skills.

"Expediters must be extremely well-versed in kitchen operations, with an enormous knowledge of food and its preparation," says Osborne of Atchafalaya. "They should also have good rapport with both kitchen workers and waitstaff. It takes a lot of energy to do this every day. They have to be enthusiastic to keep going. And they have to be firm in dealing with employees. Being a leader is 98 percent of the role. They have to lead the cooking, and they have to lead the food out the window while it is still hot. It looks so easy, but it is mentally trying to have to remember so many things."

Masraff, chef at Tavern on the Green, adds, "They have the authority to make all these people work together, yet at the same time they must attend to small details. If, for example, the cook needs an ingredient, say more meat or fish, it is the expediter who dispatches the steward to get it."

Throughout the turmoil, the expediter must remain extremely calm, says Sharpe of Top of the Sixes. "It is a pretty rough job when all the problems from the dining room come back to you. With 18 busy servers, you need one person in control."

A good number of restaurants see this position as a management position and pay a manager's or a chef's salary for getting the job done well. For many it is a key job—one they are not willing to do without. ☐

RESTAURANT

ATMOSPHERICS

If you were to attend your community's newly established symphony only to find out when you got there that each musician was playing a different musical selection, the resulting sound would be noise, not orchestrated music. You would be unimpressed and would probably not return for another so-called symphonic performance. In like manner, your restaurant's atmosphere must be orchestrated; otherwise, the results may very well be "atmospheric noise."

by Ronald E. Milliman, Ph.D.

Far too little attention is given to the atmosphere that envelops virtually any business, but especially a restaurant. This can be a costly oversight. Customers' moods and behaviors are greatly influenced by the environment or atmosphere that surrounds them. Thus, it should be the objective of every operator to make the atmospheric experience for patrons a comfortable and positive one.

Dynamic versus static elements

Atmospheric elements can be divided into static and dynamic types. A static atmospheric element tends to be stable over time and is difficult to change. In contrast, a dynamic atmospheric element is one that is subject to nearly constant fluctuation or is easily changed. For instance, the lighting system is generally not easily and quickly changed; thus, it tends to be static. The background music, in contrast, can be changed almost instantly; hence, it is a dynamic atmospheric element. In the long run, all atmospheric elements are dynamic because, given enough time, all elements can be changed—even an entire building if absolutely necessary.

In the case of a new business just being planned, special attention should be given to the more static atmospheric elements because once these decisions are made, they are not easily changed. In addition to lighting, other static elements include the placement and covering of walls, ceilings and floors. When changing the atmosphere of an existing restaurant, however, immediate attention should be given to the dynamic atmospheric elements because they are more easily and quickly changed. These elements include most types of furnishings as well as employee appearance and attitude.

Some atmospheric elements can be controlled, while others cannot. Although the overall noise emanating from a restaurant's patrons is not directly controllable by management, it can be affected, up to a point, by using sound-absorbing materials, such as carpeting and padded tables and chairs. However, the loudness of the background music system or the obtrusive noise emanating from the kitchen can be changed. By determining which atmospheric elements are controllable and which are uncontrollable, the environment can be manipulated to create the desired effect.

17 key atmospheric elements

1. Appearance of exterior building and parking lot

2. Initial interior visual impression

3. Appearance and greeting of host or hostess

4. Lighting (bright—gregarious, casual to dim—intimate, romantic)

5. Carpeting (existence or nonexistence, type, thickness, color, etc.)

6. Wall decor and color scheme (type of wall covering, pictures, mirrors, greenery, etc.)

7. Music system (music type, tempo, loudness, sound quality, etc.)

8. Table arrangements

9. Air quality (odor, temperature, circulation, etc.)

10. The existence or nonexistence of a separated, non-smoking area

11. General noise level (patrons' conversations, rattling dishes, etc.)

12. The number and appearance of other diners (dress, age, families with children, etc.)

13. The open appearance of a bar

14. The apparent attitude and friendliness of the employees

15. Type and quality of the furnishings

16. The use and type of place mats or table coverings, napkins, place settings, etc.

17. The interaction, if any, with the owner, manager or chef.

Atmosphere, image and target market positioning

Given the influence that atmosphere has on a restaurant's image and appeal, atmosphere should be considered along with the strategic components of marketing, planning and execution. Thus, it is necessary right from the initial planning stage to answer a series of important questions:

1. What segment of the market is the restaurant trying to attract?
2. What image does the restaurant need to project in order to attract this market segment?
3. What kind of atmospheric experience will achieve the desired image?
4. What are the key atmospheric elements, and how can they be manipulated to create the desired atmosphere?

Different combinations of atmospheric factors give patrons diverse experiences: Some reinforce a restaurant's desired image, and some do not. If, for instance, the defined target market were young people between the ages of 18 and 24, a restaurant would need to project a different image and, therefore, create a different atmospheric experience than if the targeted market were conservative, upper-middle-class people over age 55. Young people are very conscious of current trends and desire such things as "in" color schemes and loud, up-tempo, beat-accentuated music. The older market segment, in contrast, tends to prefer muted colors and softer, relaxing music.

While the key atmospheric elements are different for different types of businesses, there are—nevertheless—many that are the same. If atmospheric elements are strategically orchestrated, they can create a very positive experience, reinforcing the desired image needed to attract the preferred target market.

The effective manipulation of the atmospheric experience will result in your restaurant becoming more profitable. In fact, as other marketing factors (such as menu selection, advertising, etc.) become neutralized in the competitive battle for market share, atmospherics is likely to play a growing role in the unending search for a differential advantage. ❑

Milliman is associate professor of marketing at Western Kentucky University in Bowling Green, Kentucky. This article is based on his research and consulting experiences.

ALPHABET OF GRIPES

It's next to impossible to elicit customers' complaints when they are dining—unless there is something unacceptable about the food served. But if they are dissatisfied, customers don't forgive easily. They will write off the restaurant and visit a competitor instead. No operator wants to be in that position. That is why this list—although slanted toward the New York dining scene—can provide some valuable clues about customer pet peeves.

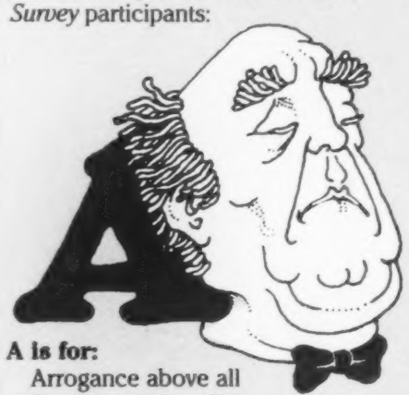
When publishers Nina and Tim Zagat were researching their 1988 New York (Restaurant) *Survey*, for the first time, they asked participants to identify their biggest gripes about eating out in New York.

"The responses for this category were overwhelming," says Tim Zagat. "Our list of gripes ran to more than 60 single-spaced pages of computer printouts and took in everything from dirty bathrooms to assaults from oversized pepper mills."

By and large, he explains, "The biggest areas of complaint involved service—slow customer response times and rudeness on the part of staffs; reservation problems; and noise, crowding and price."

A is for arrogance . . .

Here then is a selective lexicon of New York Dining Gripes, using only verbatim responses from the 3,500 *Survey* participants:



A is for:
Arrogance above all
Arrogant maitre d's
Arrogant captains
Arrogant waiters
Arrogant phone manners

A is also for:
A charge to take your coat
Absentee owners
Air conditioning to death
À la carte menus—$3 for a baked potato!
Arugula salads
Attitude

B is for:
Being asked to wait at the bar for our table
Being asked to wait outside on the street for our table
Being asked to vacate our table for the people at the bar

B is also for:
Baby vegetables
Bad bread
Bad food for big bucks
Banquette cushions that sink
Barnyard atmosphere
Big, white designer plates—little food
Bread crumbs on my fish
Burned coffee

C is for:
Cacophony
Canned vegetables
Cash only
Caste-seating policies
Celebrityitus
Cheating on the check
Chichi terminology for spaghetti sauces
Cigars
Clearing table before everyone has finished
Complex menus in need of explanation
Crud around the ketchup bottle
Crumbs in the salt shaker
Crumbs left on my table!

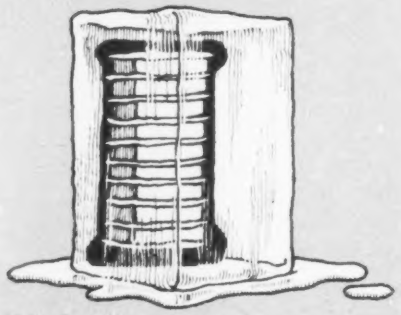
D is for:
Daily specials without prices
Dim lighting
Dirty bathrooms
Dirty everything
Discriminating against single customers

E is for:
"Enjoy!"
Eating on management's time
Every palm wants to be greased
Expected, rather than earned, tips
Exorbitant wine prices

F is for:
Fake flowers
Faux French menu recitations
Fingers around tops of glasses
Flat soda in drinks
Four dollars for tonic and lime
Free-range chickens
Frenzied waiters
"Fresh pepper?"

G is for:
Greasy dishes
Grimy plates
Gushy waiters
Going home hungry

H is for:
Hair in my food
Hard chairs
Having to ask for bread
Having to ask for the check
Hype
"Hi, my name is Brian . . . ."



I is for:
Iced butter
Inconsistency
Incorrect checks
"Is everything okay?"
"It's not my station."

J is for:
Jamming us in like the subway
John Doe treatment from your waiter

K is for:
Killing for a table on Saturday night
Kiwi fruit

L is for:
Lack of humor
Lack of children's menus
Lack of half bottles of wine
Lack of nonalcoholic beer
Lousy tables for two
Lying about waiting times

M is for:
Maitre d's who pace and stare
Meager portions for mice
Minimalist menus at maximum prices
Multinational dishes—"frittata of pizzachiere wrapped in rice paper"
Microwaves

N is for:
No coatrooms at all the new places
No diet salad dressing
No fresh pies!
No reservation places
No round tables anymore
No substitutions
No tables at 8 p.m.
No vegetable garnishes
No water
Not being seated until entire party arrives
Nouvelle cuisine

Oh yes, N is also for:
NOISE (over 800 citations with just this one word)

O is for:
Off-menu oral recitations from out-of-work actors
"Oh, waiter . . . "
Orange juice from a carton
Overbooking like the airlines
Overcrowding
Overnight successes
Overpriced chic
Oversalted food
Overzealous busboys

P is for:
Packets of Sanka
Pastas that cost $20
People who smoke and sit next to me
Pine-Sol
Plastic salad bowls
Plates pulled away from some guests, while others are still eating
"Please wait here for the hostess to seat you."
Popularity breeds contempt
Pressure to order drinks
Pretensions

Q is for:
Queuing up at the curb
Quick-changing chefs

R is for:
Rawhide dining—move 'em in, move 'em out
Reservations not honored in a timely fashion
Reservations two months in advance
Restaurants that don't make their own desserts
Running away with the parmesan cheese
Running out of specials

S is for:
Saturated fats
Scalding hot plates
Seating women at the worst tables
Smeared menus
Snooty sommeliers
Soggy pickles
Specials written on blackboards
Sun-dried tomatoes

T is for:
Tea bags
Three-star reviews the day of my reservation

U is for:
Undercooked fish
Unimaginative wine lists
Unwashed hands bringing me my food

V is for:
Very slow
Very, very slow
Verrrrry Sllllooow
Visible roaches

W is for:
Waiters interrupting conversation
Waiting for Godot (our waiter)
Whatever happened to water?
When I specify "No green peppers" and they bring them anyway
"Who ordered the chicken?"

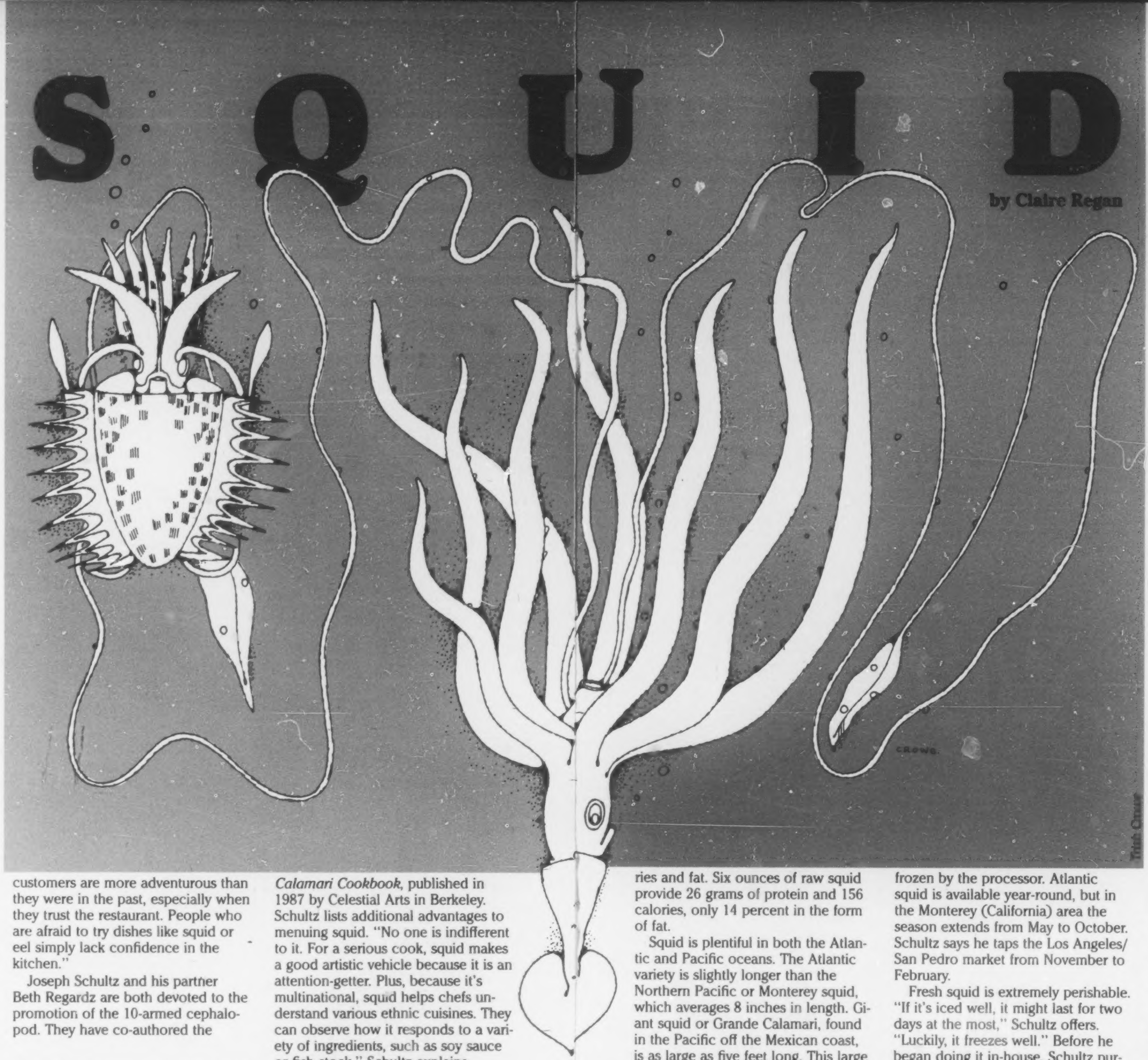
X is for:
X-ray stares from maitre d's who don't know you

Y is for:
Yuppies
Yardlong pepper mills in your face
"Your table will be ready in a few minutes . . . "

Z is for:
Zero courtesy when sending dishes back
Zapped when I get my check ❑

SQUID

by Claire Regan



The Danish call it *blekkspruter.* The French refer to it as *encomet.* In China it's known as *yao,* and in Italy it's *calamari.* In the United States the word is squid, seemingly a less appealing title for this versatile cephalopod. "I have found that if you call calamari 'squid,' no one will eat it—an absolute mystery to me. I like the word 'squid,'" writes Jeremiah Tower in his *New American Classics* cookbook, published by Harper and Row in 1986. "Fortunately, squid is so wonderful—there are so many ways to prepare it, and it is so inexpensive—I do not mind calling it calamari if that is what it takes for people to eat it," Tower continues.

Although it evokes a squeamish feeling in some Americans, squid has been nourishing Asians, Greeks, Romans and other Mediterraneans for centuries. The Spanish Basques consider squid, or *txipirones,* a native dish. Squid's versatility in preparation is probably accountable for its ability to transcend ethnic boundaries. It can be deep-fried, stir-fried, sauteed, grilled, braised, steamed, baked, stuffed and eaten raw. Even sun-dried squid is popular in the Orient.

Now it seems that squid is finally catching on in American restaurants. Santa Cruz (California) restaurateur Joseph Schultz estimates squid dishes account for about 20 percent of his dinner business in his operation India Joze (200 seats). "People like squid. They try it because it's different, but they usually enjoy it and continue ordering squid dishes," Schultz relates. He admits that both the location of the restaurant and focus on ethnic cuisines are partially responsible for squid's popularity in his operation.

But even restaurateurs in the Midwest report success with squid: "We go through 900 pounds of squid a week," boasts Randy Stanley, general manager of Figlio (200 seats; Minneapolis). "It's our number-one appetizer. We're an American bistro with an Italian influence, and squid helps to position us in a different vein than other bistros," Stanley explains.

Robert Greault, chef and co-owner of La Colline (300 seats; Washington, DC), maintains, "More people know about squid than we realize. Many customers are more adventurous than they were in the past, especially when they trust the restaurant. People who are afraid to try dishes like squid or eel simply lack confidence in the kitchen."

Joseph Schultz and his partner Beth Regardz are both devoted to the promotion of the 10-armed cephalopod. They have co-authored the *Calamari Cookbook,* published in 1987 by Celestial Arts in Berkeley. Schultz lists additional advantages to menuing squid. "No one is indifferent to it. For a serious cook, squid makes a good artistic vehicle because it is an attention-getter. Plus, because it's multinational, squid helps chefs understand various ethnic cuisines. They can observe how it responds to a variety of ingredients, such as soy sauce or fish stock," Schultz explains.

Squid can also be appreciated for its nutritional value. It is a good source of protein and is low in calories and fat. Six ounces of raw squid provide 26 grams of protein and 156 calories, only 14 percent in the form of fat.

Squid is plentiful in both the Atlantic and Pacific oceans. The Atlantic variety is slightly longer than the Northern Pacific or Monterey squid, which averages 8 inches in length. Giant squid or Grande Calamari, found in the Pacific off the Mexican coast, is as large as five feet long. This large variety tends to be tougher than smaller counterparts and is generally mechanically tenderized before being frozen by the processor. Atlantic squid is available year-round, but in the Monterey (California) area the season extends from May to October. Schultz says he taps the Los Angeles/San Pedro market from November to February.

Fresh squid is extremely perishable. "If it's iced well, it might last for two days at the most," Schultz offers. "Luckily, it freezes well." Before he began doing it in-house, Schultz purchased frozen squid from his purveyors. "I have better control over it when I freeze it myself. But I have a very sophisticated freezing system with high capacity and quick recovery, so it's almost like IQF (Individually Quick Frozen, a process commonly used by the seafood industry to freeze fish). We clean it, prep it, freeze it and pull it as needed. It thaws in about 10 minutes," he explains. Schultz recommends commercially frozen squid where fresh is unavailable. He suggests a reliable purveyor who can assure proper handling. Squid that has not been properly frozen (IQF) or that has thawed and been refrozen will be tough.

Almost 80 percent of squid is edible. Whole squid is the most labor-intensive because it requires cleaning. A variety of forms—whole, fresh, frozen, cleaned and prepped—are available in the market. Schultz points out that a few calamari tentacles can go a long way: "People are scared of the tentacles, so too many in a dish can be a drawback." He suggests purchasing the tentacles separately from the tubular portion of the squid, which is sold whole, sliced into rings or filleted (opened and flattened). But Dave Meeks feels the tentacles add to the authenticity of squid dishes and that patrons of Kate's, his 40-seat restaurant in Austin, Texas, are not adverse to them. "We leave the tentacles on the squid when it's served stuffed; it's like getting duck's feet with dim sum," Meeks compares.

Randy Stanley, too, is not reluctant to fry and serve the tentacles along with the rings. "We purchase 50-pound cases of frozen mixed parts. Surprisingly, we don't have much plate waste with the tentacles, though we did at first. Maybe it became a 'macho thing' to eat the tentacles, but now that 'dare-to-try image' is gone," Stanley says.

Squid is a natural fast food because it lends itself to quick cooking methods. Many chefs cite the 30-second/30-minute rule when advising on calamari cooking. It should be cooked quickly, no longer than 30 seconds, because longer cooking produces a tough, chewy fish. Once this stage is reached, longer cooking, up to 30 minutes, is required to tenderize the squid. Joseph Schultz tends to favor quick-cooking squid dishes. "At India Joze, we feature different ethnic cuisines on different

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Claire Regan, R.D., is manager/staff nutritionist for the National Restaurant Association.

TJUMI-TJUMI SAOS TIRAM

Calamari "wok'd" with aromatic Javan oyster sauce
Serves 6

A favorite at India Joze, the quality of this dish is dependent on the quality of the oyster sauce used. If you have access to more than one type, get one lacking in sugar and MSG, with more oyster extractives than water.

Ingredients:
3 lbs. squid, cleaned, scored and cut
2 Tbs. peanut oil or some other neutral cooking oil
½ cup sliced mushrooms
½ cup snow peas, stemmed
1 Tbs. fresh ginger slivers
½–1 Tbs. garlic paste
3 Tbs. tamarind water, lemon juice or vinegar
2 Tbs. oyster sauce
½ tsp. freshly ground white pepper, to taste
Fresh chili water, to taste

Method:
Heat oil in wok over high heat. Add everything. Saute squid in wok until squid curls. Adjust seasoning.

CHILI WATER

Method:
Rather than burn our eyes and fingertips mincing fresh, hot chilies, we cut off the stems and blenderize them with a little water. The resulting paste is uniform in heat and wonderfully fresh tasting. We prefer fresh chili water to cayenne for making dishes hot because chili water does not require cooking or frying to develop its best flavor and is thus easier to add little by little to obtain the desired level of hotness in a dish. Different varieties of chilies and different crops of the same variety vary greatly in heat and other flavors. Always taste your chili water cautiously before adding it. Fresh chilies are often quite bitter as well as hot. Red chilies are riper and tend to be sweeter, though not necessarily less hot. They are also generally less available. If the flavor balance of your dish requires hotness and sweetness, cayenne soaked in vinegar for an hour or so may be a better choice than an exceptionally bitter batch of chili water. Fresh or canned pimentos or red bell peppers have the chili flavor without the hotness, if such is desired.

INK TOAST

Calamari ink sac spread
Serves 4

The inspiration for this recipe comes from Paula Wolfert, a tireless and enthusiastic researcher into squid ink edibles.

Ingredients:
4 Tbs. ink sacs, whole (save the punctured ones for another recipe)
1 Tbs. butter
Baguette, sliced thin in rounds and toasted
Salt to taste
Freshly ground black pepper to taste

Method:
Carefully and gently fry the ink sacs in a small frying pan with the butter until they are set and firm, about 3 minutes over medium-low heat. Place or spread pieces on buttered baguette rounds. Salt and pepper. A squirt of lemon can be nice, but garnish should be kept to a minimum to accent the unique flavors.

KALAMARAKIA TIGHANITE

Squid deep-fried Greek style
Serves 4

Ingredients:
1 lb. squid, cleaned, bodies in strips or rings, tentacles whole
1 cup flour
1 Tbs. salt
½ tsp. pepper
½ tsp. paprika (optional)

Method:
Drain squid well. Shake in paper bag with seasoned flour to coat evenly. Let stand awhile. Shake again. Strain off excess flour. Deep-fry in hot oil (385° F.) until light gold. Drain on paper towels.

Serve with lemon wedges or skordalia sauce.

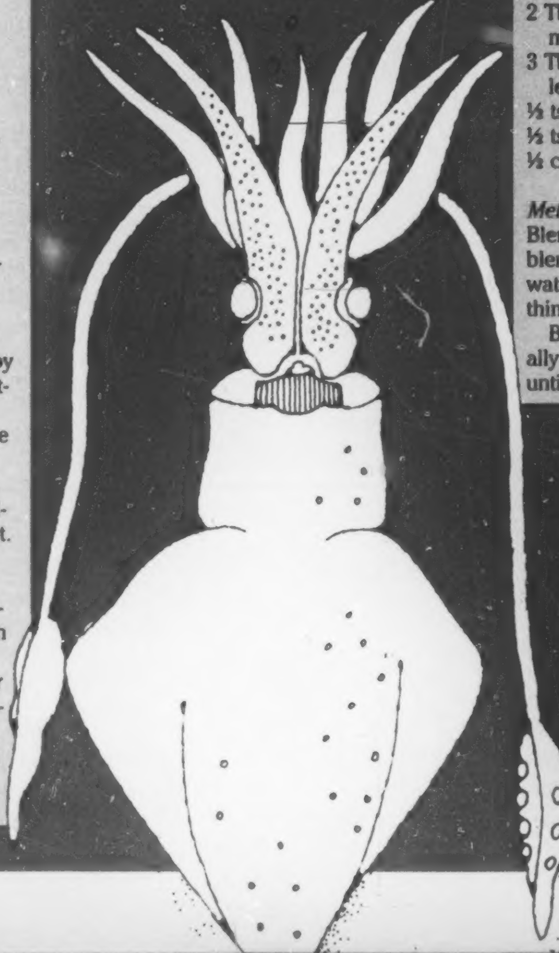
SKORDALIA SAUCE

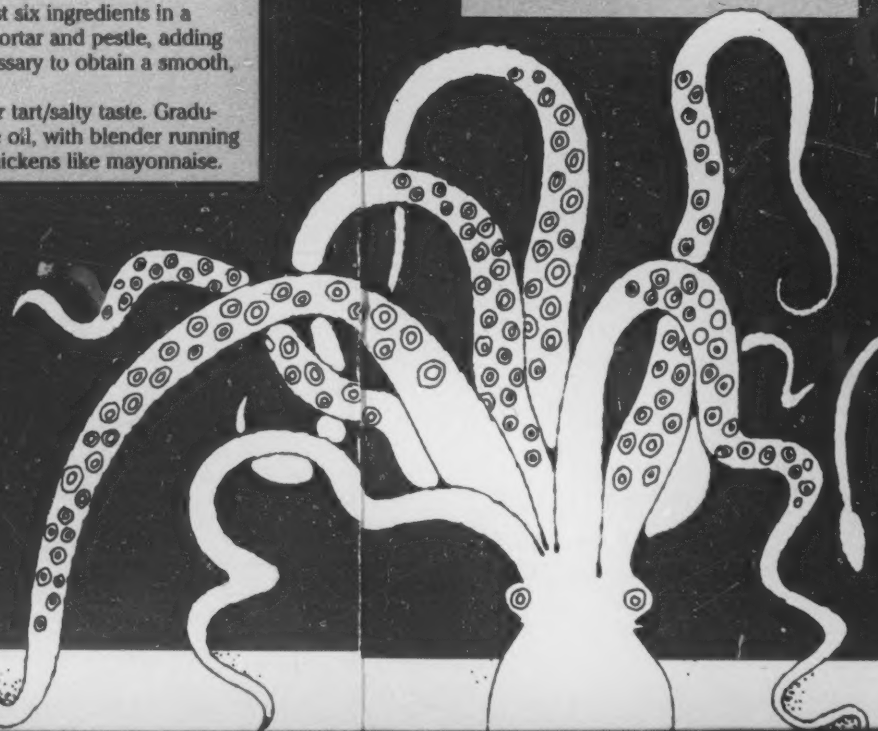
Makes 1 cup

Ingredients:
1 Tbs. walnuts
2 Tbs. cooked potato *or* crustless French bread
2 Tbs. garlic, peeled and chopped, more if it seems reasonable
3 Tbs. red wine vinegar and/or fresh lemon juice
½ tsp. salt
½ tsp. freshly ground black pepper
½ cup olive oil (or more)

Method:
Blend the first six ingredients in a blender or mortar and pestle, adding water if necessary to obtain a smooth, thin paste.

Balance for tart/salty taste. Gradually add olive oil, with blender running until sauce thickens like mayonnaise.





CALAMARI-KIWI SALAD

Squid poached in marinade with kiwi fruit
Serves 4 to 6

Ingredients:
3¾ lbs. whole small squid, cleaned as directed for strips, *or* 1½ lbs. cleaned mantles
2½ cups dry, white wine
¾ cup regular-strength chicken broth
2 large cloves garlic, minced or pressed
¾ tsp. sugar
1 medium-sized red bell pepper, stemmed, seeded and cut into thin strips
⅓ cup olive oil
½ tsp. freshly ground pepper
2 or 3 kiwi fruit, peeled and sliced
Watercress sprigs

Method:
If squid mantles are whole, cut each open with a sharp knife. Cut crosswise into ½-inch-wide strips.

In a 10 to 12-inch frying pan, combine wine, broth, garlic and sugar; bring to a boil over high heat. Add squid; return to boil and poach until opaque, about 20 seconds. Lift out with a slotted spoon; set aside. On high heat, boil liquid down to ½ cup, uncovered. Cover; chill liquid and squid separately.

Combine liquid, squid, red bell pepper, oil and pepper. Spoon onto a platter. Garnish with kiwi and watercress.

CALAMARI RIPIENI

Calamari stuffed with ricotta
Serves 3 to 4

Ingredients:
1 large or 2 small onions, diced
2–3 Tbs. olive oil
½–1 Tbs. garlic paste, to taste
1 cup ricotta cheese
4 Tbs. parmesan or romano cheese
4 Tbs. finely chopped parsley
½ cup bread crumbs
Dash of freshly ground pepper
12 large squid bodies, cleaned; reserve tentacles for another use

Method:
Saute onions in olive oil until transparent. Add garlic and fry lightly. Stir in other ingredients. Adjust taste balance. Stuff squid mantles about two-thirds full. Close with toothpicks. Arrange snugly in baking dish. These steps can be done up to a day ahead of baking.

SAUCE

Ingredients:
2 cups canned tomatoes, preferably Italian plum (fresh will do, but need more cooking and will give less body to the final sauce)
½ cup red wine
1 cup stock, preferably beef or veal (or ½ cup more wine and ½ cup water)
2 bay leaves
Salt and pepper to taste

Method:
Simmer sauce ingredients together until thick, breaking up tomatoes. The sauce will not taste too special at this point; it gets a lot of flavor from the squid juices. Spread sauce over stuffed squid. Bake in moderate oven (350° F.) for 30 minutes or so.

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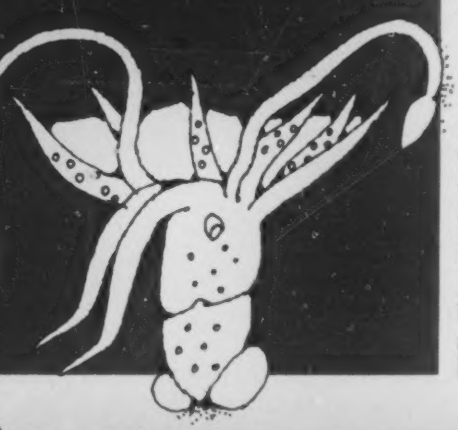


days, such as Southeast Asian, Indian, Persian or Eastern Mediterranean. Large woks are the center of our kitchen. Squid cooks quickly, 10 to 15 seconds in a very hot wok." *Tjumi-tjumi saos tiram* (calamari stir-fried with aromatic oyster sauce) and *calamari titi* (sauteed in caper-parsley-wine sauce) are among some of the favorites at India Joze.

Schultz also experiments with calamari dishes during the squid festival. The annual summer festival originated by Schultz in 1980 has expanded beyond India Joze into a city wide celebration. "During the festival we de-emphasize other dishes and highlight calamari. I've featured ink (of the squid) dishes, which I don't normally do because of the time and expense involved. Ink pasta is popular, and ink toast, gently fried ink sacs served on toast points, is a special dish that appeals to caviar lovers," Schultz says. Stuffed squid is another popular, but labor-intensive, menu item, according to Schultz. Calamari stuffed with a mixture of ricotta, onions, garlic and parsley and braised in a red wine stock is described as "unbelievably popular."

For restaurateurs experimenting with calamari, Schultz suggests starting with fried squid and salads, offered as appetizers. "Deep-fried, breaded squid seems universally popular, plus it's a hard dish to ruin. I don't make a big deal of salads, but they'd be a good starting point," Schultz says. "They're decorative, look spectacular and are tasty." Randy Stanley, who also serves baked, stuffed versions, explains why fried squid is so popular: "It's an easy-to-eat appetizer, plus Figlio's patrons, contemporary urban adults in upper-income brackets, can identify with it."

Schultz feels the largest obstacle for squid novices is quality of the raw product. "I can't overestimate this point. A lot of the problems with squid dishes are a result of improper handling. It's tricky, but top-quality ingredients will turn out a top-quality product." Even so, Dave Meeks believes squid's appeal is narrow. "It may be extremely popular with some, but it's like duck liver and frog's legs; some love it, others won't touch it," he warns. ☐

by Linda Nichols Durling

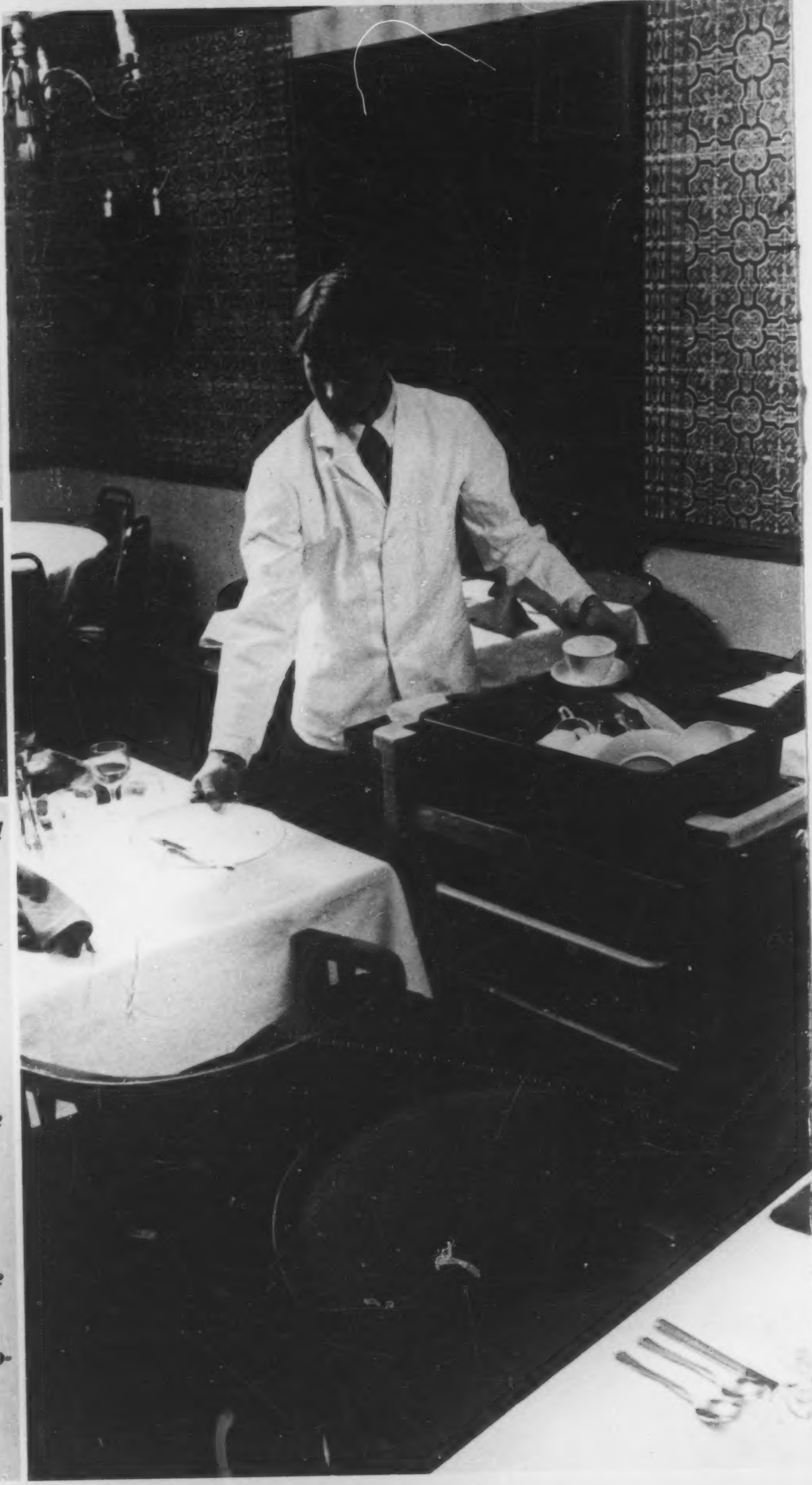
Busing Tables

The beginning of a future

The restaurant industry is filled with presidents, owners and managers who have lived their own variation of the Horatio Alger story. Starting out at the lowliest rung of the foodservice ladder—often at a very young age—bright, hardworking buspersons have climbed their way up the industry ladder.

Not all successful restaurant owners and managers began by busing tables, but those who have have gained a special understanding of the industry and what it takes to make a restaurant run. They have seen almost every job in a restaurant from almost every point of view. In many cases, the experience has helped them become more compassionate and effective managers when they have reached the upper levels.

Many who worked their way up from busing tables claim that their first job hooked them. After seeing the excitement and the pace of the business, they knew they had found their niche. The dirty dishes and the monotonous placesetting was only a short-term job; they saw the future ahead with all of its promise.



Terry Simon, banquet manager at the Sundial Beach and Tennis Resort in Sanibel Island, Florida, started busing tables 11 years ago at the age of 13. "It had its ups and downs, but it was a good way to make money and meet people." Although the pay was not great, "any type of money (at that age) was a lot."

Simon, who has rapidly advanced in her present company from hostess to dining room captain to assistant restaurant manager and finally to banquet manager (all by the age of 24), credits her success to getting an early start. "I got a chance to try a lot of different jobs (in the restaurant field) and find out what I liked," she says.

"When I was young, I didn't plan on staying in the restaurant business. I wanted to get into the education field," Simon explains. "But when I left the hospitality industry for six months or so, I really missed it. That's when I knew that I had found my niche in life."

Simon maintains that her experience working her way up from busing tables helped her become a good manager. "My experience has helped me with hiring, training and motivating," she says. Simon says she also finds it easier to explain things to employees because she can remember having to learn the same types of things when she was getting started.

★★★

Stu Cohen was 13 years old when a close buddy got him a job busing tables at a Philadelphia ice cream parlor. It seemed like a great deal. In 1962 he made a dollar an hour clearing tables on the weekends. "I enjoyed it from the start," says Cohen, who, 25 years later, now owns restaurants in three states. "I liked the pace and excitement as well as working with people," Cohen says, explaining how he got hooked on the restaurant industry.

By age 15, Cohen was acting as an assistant manager (although they didn't use that title back then, he says). The people he worked for opened a deli, and he started working there part time.

For a period of time Cohen left the restaurant business. "I was a singer in a band, drove a cab, went to college, got married and moved to Wilmington, Delaware," he says, explaining his long route back to restaurants.

In Delaware he helped his uncle start a restaurant. Using his knowledge of restaurants to complement his uncle's knowledge of pizza, the two found success. Cohen acted as manager for the restaurant until the ripe age of 22 when he started his own operation in Newark, Delaware. Ten years later he opened his second restaurant in Elkton, Maryland, and later his third in Exton, Pennsylvania. His chain of three restaurants is called Chat 'N Chew Family Restaurants.

★★★

Christopher Conroy used his first job to decide what career path to follow. While in high school in Mt. Kisco, New York, Conroy bused tables for a couple of months before moving on to a job as a dishwasher. As lowly as the job seemed Conroy saw something positive in the experience. "It was definitely exciting—the pace and the people. When you're a busperson, you look up to everyone," he says.

The experience helped Conroy make up his mind to pursue a career in the restaurant industry. Right after high school, he entered Cornell University's School of Hotel Administration.

Now, at age 25, Conroy manages the nine-unit Elephant Bar and Restaurant in Santa Barbara, California. This is his second full-time industry job. Right out of college, he got a lucky break and became manager of special projects at Carrows Restaurants in Santa Barbara, but he soon decided he needed to get back into actual restaurant management. "Managing (The Elephant Bar and Restaurant) is my stepping-stone. Basically, to do anything (in the restaurant business) you have to experience running a restaurant."

★★★

Paul Cunningham has relied on the experience of his humble beginnings as a busperson many times since he became manager at Shreiner's Restaurant in Fond du Lac, Wisconsin. He sees in many of his young employees the same teenager he was a decade and a half ago, and this insight provides him with a great deal of compassion and understanding.

Cunningham's restaurant career started in 1969 when he was a 15-year-old in band class. Cunningham heard a fellow musician say he was quitting his job at Shreiner's, Cunningham's favorite childhood restaurant. Cunningham knew right then he wanted the job. With a little convincing and cajoling, he found himself busing tables and washing dishes at the same restaurant where he had eaten often with his parents.

At a $1.30 per hour, most people would not say Cunningham had the ideal job—but he was happy. He already knew he belonged there. But if he belonged there, he wanted the chance to move up.

One day, a 17-year-old Cunningham timidly approached Bernard Shreiner—a very impressive and seemingly intimidating restaurant owner. "Mr. Shreiner, I want to talk to you. What's a guy got to do around here to get a raise?" the young boy asked in a shaky voice.

Shreiner, now on the board of directors of the National Restaurant Association, calmed the young worker down and asked to know more. Cunningham quickly blurted out the whole story: "I want to be a short-order cook, and I want to go to college at The University of Wisconsin at Stout."

Shreiner took charge. He contacted the Wisconsin Restaurant Association for information. He also promoted Cunningham. "I knew right then I was going to be manager of Shreiner's one day," recalls Cunningham.

Before Cunningham left for college, he promised to return each summer and to work at the restaurant after he graduated.

For three summers he worked 60 hours per week training in all aspects of the restaurant. "I worked my way through all the positions. I worked a minimum of six months at any one position—but I worked at many concurrently." Cunningham also worked hard in school. He took extra credits each semester and graduated in three and a half years. He joined Shreiner's full time as assistant manager in January 1976. He was, by all accounts, the "corporate son."

Linda Nichols Durling is a freelance writer in Takoma Park, Maryland.

Cunningham believes his experience working his way up through the ranks has been crucial to his success. "Anyone who hasn't done it for a significant period of time misses a lot," he says. "You have to do it long enough so that you never forget what it was like."

Cunningham says having that experience is important for two reasons: "So employees can't pull the wool over your eyes and so you have some compassion and understanding. Employees should know that you've 'been there.' Anyone who misses that is cheating themselves," he says.

★★★

Irving Cohen (not related to Stu Cohen) has worked at the Concord Resort Hotel located in Kiamesha Lake, New York, since 1940, when he got his first job busing tables. Initially, he had not thought of staying in the field for life, "But I couldn't afford college, and I needed money. I just went along day by day," he says.

Even then, Cohen says he was happy at the family-operated hotel: "I had the opportunity to do what I wanted." In his first few years, Cohen advanced rapidly. After busing tables, he worked in the kitchen and then waited tables. But when the maitre d' took sick, the restaurant needed someone in a hurry. Cohen took his first big step forward and filled the shoes of the maitre d'.

Since then, Cohen says, "The place has grown a great deal, and I have learned to grow with it." Now the food and beverage director for the hotel, Cohen says that "each step (through the ranks) was a jump. I always knew I was only as good as today." Cohen says an important part of moving up is to accept each challenge eagerly and to try to meet it head on.

Cohen says he has noticed restaurant workers change in the 47 years he's been in the business. "A few years ago (workers) were a little more concerned," he explains. "Now there are so many jobs, workers don't seem to care as much." As usual, Cohen has learned to adapt to the changing times. "Now you have to motivate workers; I motivate with courtesy." ❑

Other ways to the top

Restaurant success stories

It is still possible to rise to the top in the restaurant business. All it takes is a passion, a willingness to take risks, lots of hard work and a creative vision. Although there are no molds for how to do it, these operators exemplify the kind of enthusiasm and dedication it takes.

Julie and Ruediger Flik

William F. Pompa
President, Mr. Subb, Inc., Cohoes, New York

When William F. Pompa started as a counterperson in a small submarine sandwich shop in 1971, little did he know that within 10 years he would own a chain of 11 sub shops. "I had just gotten out of college with a degree in math and a minor in computer science," recalls Pompa, now president of Mr. Subb, Inc. in Cohoes, New York. "I half-heartedly looked for a computer science job, but everyone wanted someone with experience, and I had none," remembers Pompa. "So, instead, I took a job as a manager/trainee with Wald's Subs because it seemed interesting." That interest turned to a passion, and Pompa worked as if he owned the company. That effort paid off. Soon he was a supervisor with an office and a company car, and he had six stores to manage.

But that wasn't enough. Four years after starting with Wald's Subs, Pompa went to a competitor "because they were in trouble, and they offered me a 10 percent share of the business," he recalls. "I took a $50-a-week pay cut and gave up the office and the car to start working behind the counter again. But it was an opportunity to make the company into something."

Pompa isn't one to rest on his laurels, however. In 1982 he ventured into a different aspect of the restaurant business. He opened a theme restaurant. "It was along the line of a Bennigan's or T.G.I. Friday's, but, of course, it was on a shoestring budget. And it took a lot of time," he recalls. So much time in fact that Pompa's wife brought their Easter dinner down to the restaurant. But, notes Pompa, "At least I can say I did it, and the reward was not only in the dollars that I made when I sold it, but also in the satisfaction I got from doing it."

Pompa attributes his success to "not being locked into certain stereotypical ways of doing things. I do unorthodox things. When I went into fullservice, for example, I applied fast food techniques I had learned from my experience in the sub business. And I think one of the successes of my fullservice restaurant was that it was known for its consistency."

Jeffrey A. Wolpert
President, Steaks Sophisticated, Gatlinburg, Tennessee

Rising from a summertime short-order cook in college to owner of four steakhouses by age 29 proves once again that age is no obstacle to success in the restaurant business. Today, Jeffrey A. Wolpert is president of Steaks Sophisticated in Gatlinburg, Tennessee, and he operates four Peddler's Steak Houses (200 seats each). In 1976 Wolpert was a pre-med major in college in search of a summer bartending job at the beach. But he struck out because he had no bartending experience. Instead, he found a restaurateur who gave him a chance as a short-order cook at his marina operation. "Actually," says Wolpert, "I was cook and served the counter, too. And I had to go in at 3 a.m. to make the coffee for the fishermen who came along at 4 a.m. I realized right away how satisfying the work was. For so little effort, I could make people happy," says Wolpert.

"I went back to college, changed my major to business, and the next summer got the job as bartender," notes Wolpert. After graduation, Wolpert signed on as manager/trainee with Peddler's Steak House, the company he now owns. "There was a group of investors in my hometown, Marion, South Carolina, who had bought the franchise for the state of Tennessee. They knew I wanted to go into the restaurant business and offered me the management training position," he explains.

Wolpert got his first break six months into training when the company had problems at its Gatlinburg store. "The Gatlinburg store is in a seasonal area, and they moved me there in the off-season until they could get a 'mature manager.'" Wolpert seized the opportunity. "I knew I was in the driver's seat," he recalls, "and I started to put the restaurant in the black for the first time in the off-season." Despite this success and being named manager earlier than scheduled, the company began to have problems.

By 1984 Peddler's was down to five stores (from 13), and Wolpert, disillusioned, was selling real estate on the side. "The Gatlinburg area was booming," tells Wolpert. "I was working full time during the day selling real estate, making more money than my night job at Peddler's. At this point the major stockholder of Peddler's suggested a way for me to buy him out." Wolpert jumped at the opportunity.

Wolpert notes that he could not have accomplished the buyout without the help of the local bank. "The bank helped structure my business plan, suggested that I put aside more working capital and recommended a C.P.A. firm which specialized in small business development—all of which helped me."

Ruediger Flik and Julie Flik President and Vice President, Flik International Corp., Mamoroneck, New York

Ruediger Flik's "only in America" story begins in 1963, when at age 23 he arrived alone in this country from Germany with an eighth grade education, a chef's background, a blue suit, pointy black shoes, $50 and a 100-word English vocabulary. Twenty-five years later Flik owns his own foodservice management company with 50 dining facility accounts, 550 employees and projected sales of $20 million for 1987. Most recently, he has opened four restaurants of his own, named Tiffany's Table after his daughter.

Flik started as a desk clerk at the Drake Hotel in Chicago and then traveled to San Francisco, where he was maitre d' at a restaurant in the San Francisco Hilton. At the Hilton he met his wife, Julie, a recent graduate of Cornell's Hotel and Restaurant School. After their marriage, the Fliks spent a year managing a restaurant and inn on Long Island, New York. "But it just was not that gratifying being at everyone's beck and call till 3 a.m.," recalls Julie Flik.

Instead, the Fliks chose the corporate world. First at Howard Johnson's, and then at Saga Corporation, Flik fine-tuned his management skills and gained valuable experience running university dining facilities which eventually led to his own business.

In 1971 he took the leap to independence. "I was director of Saga's operation at Marymount College in New York when I decided to make a blind call on my own to Sarah Lawrence College in Bronxville, New York," says Flik. "The timing was perfect. They were looking for someone, and they became my first dining account." Flik proudly notes that he has the account to this day.

Julie Flik believes her formal restaurant school training at Cornell has always been an asset. Even during the years when her children were little and their company was rapidly growing, Flik recalls the value of her formal schooling in restaurant management: "I could not be on the job physically, but I was always there to discuss business decisions with Rudi."

The Fliks recognize that their continued success depends on the enthusiasm of their employees, and they have nurtured that enthusiasm along. Recently, as an added incentive for ambitious employees, they began offering managers a piece of the business once they achieve certain predetermined targets.

Gen LaGreca President, Hospitality Industry Training, Golden, Colorado

Gen LaGreca, president of Hospitality Industry Training, a foodservice consulting firm in Golden, Colorado, was working on her Ph.D. in philosophy at Columbia University and waitressing at Beefsteak Charlie's when she put together her own training program for servers. "I just took my methods for selling which had become a game for me and copyrighted them into a little 25-page booklet. I immediately won an award for the program, and within six months I was named director of training for Beefsteak Charlie's. I liked the opportunity because I enjoyed working with people and people problems," recalls LaGreca.

But the company was in Chapter XI, and LaGreca opted to move to the World Trade Center Restaurants, which included the well-known Windows on the World among its 22 facilities. "I was with them for five years," says LaGreca. "I started out by supervising their training efforts and quickly developed many train-the-trainer programs for both managers and staff. I was always learning a lot. It was a good experience, and I got a lot of exposure."

But moving up within the company was not enough. LaGreca wanted to try consulting. "I think it takes a certain attitude to start your own business and make it succeed—a stick-to-it attitude," she contends. "When I first tried the consulting world, I still had to wait on tables. But each year I doubled and tripled my business. It is mushrooming now, and I have two people working for me."

LaGreca warns, however, that it takes time: "I made calls and sent letters the first year, and maybe eight months later someone would get back to me. I would say it takes a good five years to get a business going."

—Kathy Boyle

by John Frankovich and Dean McMann

A Guide to Developing Effective

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The time requirements of operating a restaurant or group of restaurants make it difficult for management to stay involved in every aspect of the operation. Therefore, it is common for restaurant operators to rely on information systems to assist them in monitoring the organization. Food costs and payroll are monitored closely by operators because they directly affect profits. Other often overlooked variables, such as service and menu items, can be just as important in maintaining profits. If food is served too slow or too fast, for example, an operator could lose customers, thereby cutting future profits.

That is why information systems must go beyond the reporting of budget variances and productivity statistics, so operators can react to their critical business activities. Thus, they need an information system that reports operational information as well as financial data. This type of information system is often called an operational reporting (OR) system, and it is becoming increasingly popular in the foodservice industry.

Operational orientation

An OR system monitors key aspects of the restaurant and produces meaningful feedback to management. It assists management with practical decisions. For example, suppose a manager wants all meals cooked in less than seven minutes because he or she knows that customers visit the restaurant for speedy service. By using length of cooking time as a variable in his or her OR system, the manager will constantly be monitoring an item that is important to the restaurant's success. If cooking time becomes too lengthy, the manager may decide to make changes, which could include firing slow cooks or eliminating foods that are difficult to cook. This, in simple terms, is one way an OR system can work. Put another way, a well-structured OR system can provide restaurant management with three significant benefits:

☐ **Assistance in making decisions.** Operators are frequently faced with problems that require immediate solutions. An OR system can provide management with up-to-date information about each area of the organization. Therefore, managers can react with more confidence when faced with unanticipated problems.

☐ **Assistance with operations management.** Exposure to the key aspects of the restaurant operation enables management to anticipate where and when adjustments will be needed. In such cases, management can schedule adjustments to prepare for smoother transitions.

☐ **Support for long-range planning efforts.** Management has the ability to monitor internal and external trends and plan directional changes. With this insight, it becomes easier and more productive to effectively implement new strategies, such as expansion, contraction or repositioning.

As these benefits are realized, the organization should begin to achieve financial improvement in some or all of the following areas:

☐ cash requirements forecasting
☐ closer cost monitoring
☐ more accurate budgeting and
☐ higher profits.

It takes time to begin

A restaurant interested in developing an OR system should be aware that its startup involves a considerable amount of time and, in some cases, may take months to complete. Because it affects every department, it must be supported by top management.

Phase I

The process of developing an OR system consists of two phases. Phase I involves the identification of the organization's requirements, which describe exactly what the completed system should accomplish. Meeting these requirements becomes the goal of the system development effort and usually includes these four steps:

☐ **Selecting a planning team.** A team should be organized of three to five people who are respected within the organization, cognizant of the various operations and dedicated to the project on a full-time basis. At least one member of the team should be an independent party who is experienced in developing this type of system, but not a member of the restaurant. This individual would facilitate the process by providing fresh and unbiased ideas.

☐ **Identifying the critical success factors.** Each operational area, including its specific tasks, must be identified and described in detail. The completed list of these tasks comprises the restaurant's Critical Success Factors (CSFs). These CSFs are extremely important because they ultimately become the factors which will be monitored and evaluated by the OR system. CSFs will vary depending on the type of restaurant. An upscale restaurant probably would not list food preparation time as a CSF, while a fast food restaurant would probably make it a high-priority CSF.

☐ **Developing the CSF monitoring procedures.** Once the restaurant

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has a clear understanding of its CSFs, the team can then identify attributes of each CSF in order to develop the specific monitoring procedures. These procedures will define who, what, when and how information is to be gathered and reported.

☐ **Drafting the requirements document.** The requirements document should state each CSF and its related evaluation procedures in a manner that can be used by the system development team. This document should be reviewed and approved by management.

Phase II

The second part of establishing an OR system involves its actual development. The CSFs should include the key attributes of each significant business activity the restaurant performs. At a minimum, it is important to examine the following areas:

☐ **Vendors and suppliers.** The selection of suppliers and the monitoring of their services greatly affect the success of the restaurant. Few other industry management personnel are as dependent on the quality and timeliness of their suppliers.

☐ **Meal quality.** Each establishment must strive for the highest level of quality within its market limits. The consistency of that quality may mean the difference between loyal customers and those who never return.

☐ **Service.** Developing and monitoring service quidelines are essential for success.

☐ **Menu management.** All restaurant organizations should monitor changing tastes and trends. The quality of the information used in menu management must consistently be examined and challenged.

☐ **Employment management and productivity.** It is essential to identify quantity and quality goals for each position. Equally important is the close monitoring of the organization's ability to meet its goals.

How to develop Critical Success Factors (CSFs)

The activities of the project team assigned to develop the CSFs can be organized into three phases:

I—Discovering success issues

During the discovery phase of the project, the team's goal involves researching and becoming familiar with the organization and its competitors. Some of the issues might include:

☐ Conducting interviews with personnel from all levels of the organization

☐ Visiting sites managed by the enterprise and

☐ Obtaining a working knowledge of competitive establishments.

II—Assembling the CSFs

During the data assembly phase of the project, the team organizes the CSFs in order of importance. The CSFs are then drafted into a review document with corresponding priority rankings, which is submitted to the key managers for review.

III—Selecting the CSFs

After management has reviewed the CSFs to be included in the project, it is important to select no more than 25 to allow for in-depth concentration on each factor.

How to design and monitor the reporting procedures

Once the team has gained an understanding of the CSFs, it can begin developing the information monitoring and reporting procedures. The objective of this activity is twofold: (1) to identify the information that will be collected about each CSF and (2) to develop a simple means of gathering and reporting the information. This process of developing the monitoring and reporting procedures also involves three phases:

I—Identifying the significant data items

During this phase, each business process is diagramed, and the discrete stages in each activity are identified and noted on the diagrams. Then, each stage is analyzed to determine all the required data items.

II—Developing a schematic of the data-gathering process

Once all the data items are identified, a schematic of the data-gathering process is developed. This schematic includes the individual(s) responsible for the information and the anticipated availability data.

III—Developing the system design when a computer is available

In this step, input forms are developed for each group of data items. These forms should be precise and easy to use. During this phase a list of required reports and their frequency also should be developed. Then, the system should be put through a series of vigorous tests to assure that the program and system are functioning properly.

In sum

Operational reporting can give an organization the ability to improve the business management of its restaurant(s). Developing an effective operational reporting system requires a dedicated management team, sufficient capital and a commitment to invest the time necessary to make the project work. The net payoff, however, ultimately results in a smoother, more profitable restaurant. ❑

#88

Sing-along

You probably never realized it, but the hospitality industry has been the inspiration for many classical, popular and country-and-western songs. I can't do justice to them all, but here are the top 40 that can be "attributed" to the hospitality industry.

1. The restaurant operator who took lamb off his menu because of its escalating costs wrote, "I Know I'll Never Find Another Ewe."

2. When a restaurant operator asked his distributor how much product he'd have to buy before he got a quantity discount, he was told, "Sixteen Tons."

3. An Atlantic City hotel desk clerk told a guest his room was located "Under the Boardwalk."

4. The accounts payable manager of a multiunit firm told the credit manager of a supplier firm when he would get paid: "The Twelfth of Never."

5. When asked to describe the current fashion in service staff attire, a uniform manufacturer replied, "A White Sport Coat and a Pink Carnation."

6. The executive who repeatedly got no answer when he called his office wrote, "Wake Up Little Suzie."

7. A highly successful entrepreneur who, when asked how she did it, responded, "My Way."

8. The 11:00 p.m. to 7:00 a.m. manager of a 24-hour coffeeshop wrote, "Oh, Lonesome Me."

9. When he asked where his new territory was, the new foodservice manufacturing sales rep was told, "Wolverton Mountain."

10. A retiring executive announced at his retirement party, "It's My Party, and I'll Cry If I Want To."

11. Three months after taking a new position, an industry association executive wrote, "I'll Never Smile Again."

12. When asked what his favorite dish was, the Cajun chef replied, "Jambalaya."

13. When the recruiter arrived at an HRI school and saw the number of signups, she asked, "Is That All There Is?"

14. When asked to describe his office, the foodservice equipment manufacturing supervisor responded, "Four Walls."

15. After spilling a bowl of soup on a patron, the waiter sighed, "Ain't That a Shame."

16. The operator who called the distributor frantically for the overdue order, asking when he could expect delivery, was told "Shrimp Boats Are A Comin'."

17. When asked how he accommodated so many bosses, the club manager responded, "I Walk the Line."

18. When asked how he felt on the day he lost his key staff, failed the health department inspection and discovered his food cost was 87 percent, the operator moaned, "Heartaches by the Number."

19. When the patron, who had been waiting for 20 minutes, asked if she could have some service, she was told, "Que Sera Sera."

20. When the HRI students asked who their new quantity foods professor was going to be, they were told, "The Little Old Lady from Pasadena."

21. The bartender, when asked what drink he enjoyed preparing most, said, "Orange Blossom Special."

22. When the district manager asked where his next assignment would be, he was told, "Somewhere over the Rainbow."

23. The man was eating meat and the woman was eating seafood, so the sommelier recommended "Cracklin' Rosie."

24. When asked where the money was, the cashier, who was perpetually short, said, "Three Coins in the Fountain."

25. When confronted with a non-performing employee, the manager told the assistant manager, "He'll Have To Go."

26. When the multiunit chain operator asked his interior design department to recommend a decor package for a renovation project, she was told that it was a toss-up between "Blue Velvet," and "Chantilly Lace."

27. When an arriving and departing group of conventioneers were caught at a hotel during a snowstorm, the hotel manager told his staff they would have those "Moments To Remember."

28. The banquet waiter, who had just slipped on a banana peel, cried out, "Please Help Me I'm Falling."

29. The human resources director titled the new employee orientation videotape "Stranger in Paradise."

30. When asked what kind of an inventory he kept, the saloonkeeper replied, "100 Bottles of Beer on the Wall."

31. The chef/owner of a 24-hour diner wrote, "Home, Home on the Range."

32. The waitress, noticing three unruly children at her station, came forward with "Lollipop, Lollipop" and "Tutti-Frutti."

33. After repeatedly negotiating with a meat processor, the food broker wrote, "How Much Is That Doggie in the Window."

34. When asked what his favorite confectionary was, the baker answered, "American Pie."

35. When the foodservice director's second in command walked out 30 minutes before the start of a 500-person alumni banquet, the director said, "You Picked a Fine Time To Leave Me, Lucille."

36. The members of a local magicians society were crowded around the door. The banquet hall manager finally said, "Send in the Clowns."

37. When the cruise ship steward asked where the chef was, he was told, "Michael Rowed the Boat Ashore."

38. When the salad prep was asked what he was doing to the Caesar salad, he said, "Tossin' and Turnin'."

39. When an out-of-work manager couldn't get anyone to write a recommendation, she wrote, "I'm Gonna Sit Right Down and Write Myself a Letter."

40. After a maitre d' seated 24 people at her station in a 5-minute period, the new server called to a colleague, "Help Me, Rhonda."

Fisher's Law #88: ***A well-managed organization is like a melody; it hums along.***

More lunch options for working consumers

New data show the lunch market for employed consumers is changing and that the competition for midday lunch business is fierce.

What's for lunch? This question is considered daily by more than 100 million employed Americans. Although the answer sometimes turns out to be nothing, most daytime workers take time out of their busy days to eat lunch.

The peanut butter and jelly sandwich brought from home now shares the lunch menu with frozen entrees prepared in microwave ovens, fast food hamburgers and pizza, salads from the grocery store, deli sandwiches prepared in the employee cafeteria and hot dogs from the local convenience store. As the number of lunch options increases, so does competition, presenting new challenges to foodservice operators.

A National Restaurant Association Gallup Survey conducted in the fall of 1987 reveals some interesting facts about the lunch market for employed consumers. Specifically, the survey sought to determine:

☐ workday lunch habits

☐ where lunch is purchased

☐ services or equipment available for lunchtime use

☐ satisfaction with employee cafeteria/dining room when available and

☐ length of time taken for lunch.

The working lunch market

According to the survey results, purchased lunches rival brown bags for top market share. In an average workweek, 48 percent of all those employed during the day bring their lunch from home at least once a week. Lunch is purchased or eaten out at least once a week by 56 percent of all daytime workers. Smaller proportions of employees eat lunch at home or skip lunch once a week, 28 percent and 21 percent, respectively. In an average workweek, lunches for daytime workers are roughly divided as follows:

☐ brought from home—35 percent

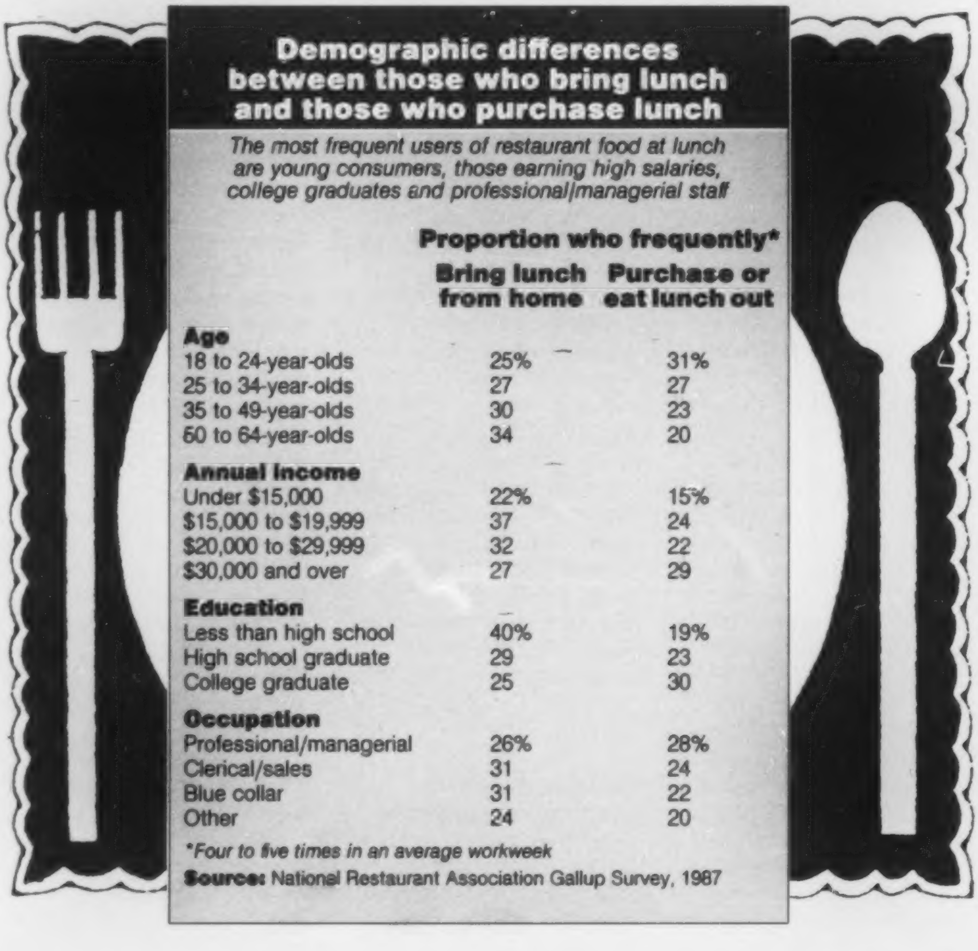
☐ purchased or eaten out—35 percent

☐ eaten at home—15 percent and

☐ skipped—14 percent.

Dining patterns seem to be closely related to a worker's age, income, educational status and occupation. The likelihood of purchasing lunch increases with both income and education. Workers with a college education and incomes of $30,000 or more are more likely to buy their lunch or dine out than are those with less than a high school degree or workers with low to moderate incomes. In addition, individuals employed in professional or managerial positions show a higher incidence of purchasing lunch than do blue-collar workers. Young workers are more likely to eat lunch out than are older ones.

Skipping lunch also seems to be influenced by these demographic characteristics. Workers at the highest and lowest ends of the income scale are more likely to forego lunch than are workers with more moderate incomes. Likewise, those at opposite ends of the education spectrum show a somewhat higher incidence of skipping lunch than do high school graduates. Blue-collar workers, overall, show the highest incidence of skipping lunch.



Demographic differences between those who bring lunch and those who purchase lunch

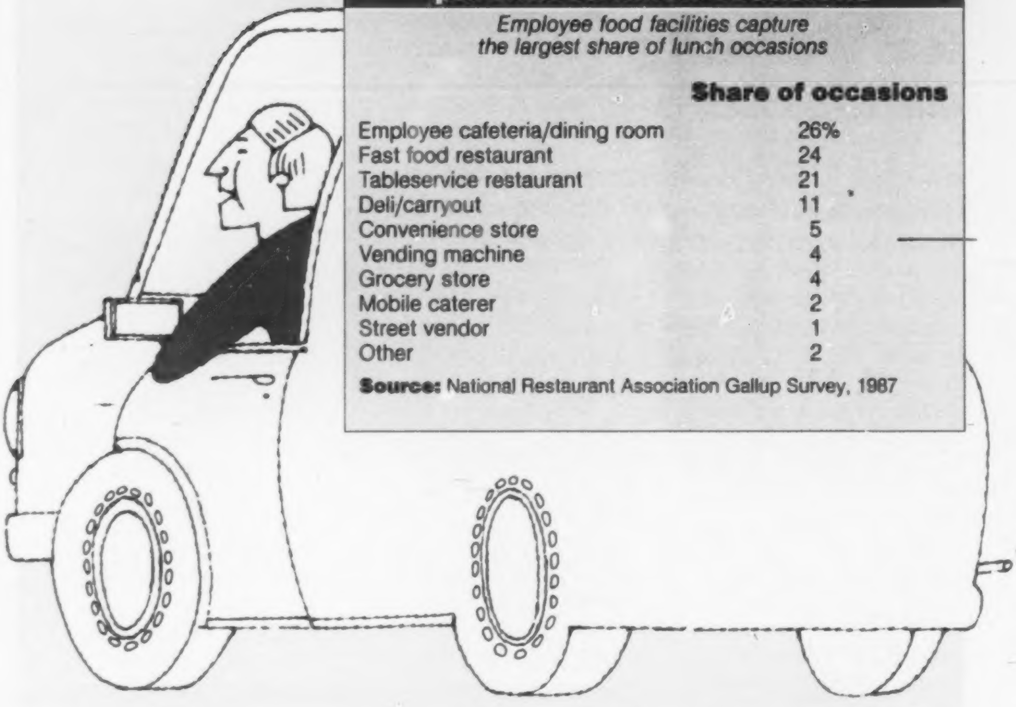
The most frequent users of restaurant food at lunch are young consumers, those earning high salaries, college graduates and professional/managerial staff

	Proportion who frequently*	
	Bring lunch from home	**Purchase or eat lunch out**
Age		
18 to 24-year-olds	25%	31%
25 to 34-year-olds	27	27
35 to 49-year-olds	30	23
50 to 64-year-olds	34	20
Annual Income		
Under $15,000	22%	15%
$15,000 to $19,999	37	24
$20,000 to $29,999	32	22
$30,000 and over	27	29
Education		
Less than high school	40%	19%
High school graduate	29	23
College graduate	25	30
Occupation		
Professional/managerial	26%	28%
Clerical/sales	31	24
Blue collar	31	22
Other	24	20

**Four to five times in an average workweek*

Source: National Restaurant Association Gallup Survey, 1987

Dining patterns may be influenced by the amount of time available for lunch as well. The majority of working people reported having about 30 to 45 minutes for lunch. However, the profile of those workers who eat out or purchase lunch frequently is markedly similar to that of those with lunch periods of 45 minutes or longer. That is, workers who indicated that they have at least 45 minutes for lunch were better educated, younger and had higher incomes, in general, than did those who spend less than 45 minutes a day at lunch. For example, 43 percent of daytime workers with incomes of $30,000 or more spend 45 minutes or more at lunch. In contrast, just 22 percent of workers in the lowest income bracket have 45 or more minutes available for lunch.



Distribution of purchased lunch occasions

Employee food facilities capture the largest share of lunch occasions

	Share of occasions
Employee cafeteria/dining room	26%
Fast food restaurant	24
Tableservice restaurant	21
Deli/carryout	11
Convenience store	5
Vending machine	4
Grocery store	4
Mobile caterer	2
Street vendor	1
Other	2

Source: National Restaurant Association Gallup Survey, 1987

Employee cafeterias available to many

Employee cafeterias are becoming an important benefit in today's workplace. More companies are exploring the possibility of providing on-site foodservice to workers. Those organizations that already have on-site foodservice operations are working to expand and upgrade offerings. The reason employers are undertaking these projects is clear; they hope to boost both office morale and employee productivity.

Results of the association's Gallup Survey reveal that 37 percent of all adults employed during the day have access to an employee cafeteria/dining room. These individuals tend to be 25 to 49 years of age, married, high school graduates and employed in professional/managerial positions and have moderate to high incomes.

Approximately one-half of all those workers with access to an employee cafeteria eat lunch there at least once a week. About 45 percent of all those who purchase or eat lunch at the cafeteria do so four to five times in an average workweek. And a surprising seven in 10 of these frequent users patronize the employee dining facility every day. Among the demographic groups with the highest proportion of frequent users are: those with household incomes of less than $15,000 (47 percent), New Englanders (46 percent), those from households of five or more persons (34 percent) and those who eat out four or more times a week (31 percent).

Satisfaction with employee cafeterias

Employee cafeterias are beginning to shed their dull images as employers introduce upbeat decors, more healthful menus and a variety of service options. At present, U.S. workers appear to be satisfied with their experiences at their company's employee dining facility. Service elicited the highest level of satisfaction among workers who have access to an employee cafeteria/dining room, while food quality received the lowest marks. More than one-half of all employees said they are very satisfied/satisfied with the service they receive at their employee cafeteria. The atmosphere and price/value offered by the employee dining room were rated highly by 48 percent and 45 percent, respectively. A slightly smaller proportion, 43 percent, indicated that they were very satisfied/satisfied with the quality of the food served.

Not surprisingly, the level of satisfaction expressed by workers with employee cafeterias/dining rooms varies by frequency of use. As might be expected, those who frequently eat in the employee cafeteria tend to be more satisfied than those who visit on fewer lunch occasions. Workers who eat at their company's employee cafeteria four to five times a week express the greatest satisfaction with the service provided. Food quality and atmosphere also received high marks from the vast majority of frequent users. On the other hand, less than one-third of those workers who never visit the employee cafeteria in an average workweek gave high ratings to food quality or the atmosphere of the facility. These two areas are also the least satisfying to workers who patronize the cafeteria only once or twice a week, suggesting that employee cafeteria operators may want to highlight any food quality or facility improvements to boost visit frequency.

Daytime workers have other on-site options

Consumers who are employed during the day have a number of other services/equipment available on-site for their lunchtime use. Included among these are microwave ovens, vending machines and mobile catering trucks. Of these, microwave ovens are the most pervasive.

More than one-half of all daytime workers have a microwave oven available to them at their place of employment. This piece of equipment is accessible to a wide cross section of workers: At least 40 percent of workers in all demographic groups reported having access to a microwave oven at work.

Vending machines containing food items are also accessible to a substantial proportion of all daytime workers. More than four in 10 of those surveyed reported having a vending machine available to them at work. However, only a small fraction of these individuals said they purchase lunch from a vending machine at least once a week. And, among those who do purchase lunch from a vending machine, more than 80 percent do so, on average, only once or twice a week.

Mobile catering trucks, unlike microwave ovens and vending machines, are quite rare. Less than 20 percent of all daytime workers have a mobile catering truck available to them at lunch. Mobile catering trucks are found most frequently among those not employed in professional/managerial or clerical/sales positions. Workers from the West and those with less than a high school education also are more likely to have access to a mobile catering truck at lunch. As is true with vending machines, only a small proportion of workers purchase lunch from a mobile catering truck, and most of these workers patronize the catering truck only one or two times a week.

Workers visit restaurants occasionally at lunch

Commercial restaurants compete with brown bags and on-site foodservice facilities for a share of the lunchtime food dollar of U.S. workers. Survey results suggest that fast food and tableservice restaurants are among the most popular sources of purchased lunches for adults employed during the day. Forty-four percent of all daytime workers who eat out at least once a week visit a fast food place on at least one of those occasions. Fast food restaurants capture 24 percent of the purchased working lunch market.

In general, employed adults patronize fast food restaurants on an occasional basis at lunch. Seven in 10 of those who purchase lunch at a fast food restaurant do so only one or two times in the average workweek. By comparison, just 13 percent eat lunch at a fast food restaurant four to five times a week. Eighteen to 24-year-olds, singles and those with annual household incomes of $15,000 to $19,999 are among the groups with the highest concentration of frequent fast food lunch patrons.

Tableservice restaurants are visited at least once a week by 35 percent of all adults who eat out or purchase lunch. As is true for fast food places, daytime workers visit tableservice restaurants at lunch occasionally. Nearly 60 percent of all those who eat at tableservice restaurants do so just once or twice a week. Tableservice restaurants do have a larger proportion of frequent users than do fast food places—22 percent visit four to five times a week. Among the heaviest users of tableservice restaurants are 50 to 64-year-olds and singles.

Deli/carryout shops and convenience and grocery stores are also vying for a share of the working lunch market. None of these operators, as yet, hold a commanding share, but all are continuing to aggressively market their offerings. Of the daytime workers who purchase lunch out at least once a week, 24 percent visit a deli/carryout shop on at least one of those occasions—giving these operators an 11 percent share of the market. Convenience and grocery stores are visited by less than 12 percent of all workers who eat out at least once a week.

In sum

American workers have a host of options available to them at lunch, and results from the association's Gallup Survey indicate that 35 percent turn to foodservice operations to provide their midday meal. The gains in employment expected in 1988 should help to boost lunchtime business. Since competition will remain fierce, however, operators should continue to monitor the behavior and attitudes of patrons to hold on to and expand their presence in the lunch market.

—Kate Conroy

CREST lunch update

According to a National Restaurant Association Gallup Survey, foodservice captures about 35 percent of the working lunch market. The following highlights from *CREST Household Report* data update the total restaurant lunch market:

☐ **Customer traffic** at lunch has been up for four consecutive quarters by more than 2.0 percent. The largest gain came in the 1987 summer quarter when traffic jumped 5.4 percent. This compares favorably to the summer quarter of the year before when customer counts were down 0.2 percent at lunch. Supper continues as the strongest daypart in recent quarters, posting increases in traffic of 5.0 percent or more in each of the last four quarters. Breakfast, on the other hand, is having difficulties as counts decline.

☐ **Quickservice restaurants** capture more than one-half of total lunch traffic. **Midscale restaurants** hold a 30 percent share. The remaining proportion is held by the **upscale segment**.

☐ **Takeout** is capturing a larger share of the total lunch market. Traffic for off-premises dining has been rising, posting a very healthy 7.4 percent increase in the 1987 summer quarter. During that period, 38 percent of all lunch occasions involved takeout. More diners are eating in their cars, and this has been a major factor in the expanding lunch takeout market.

☐ The **average check size** at lunch stood at $3.28 during the 1987 summer quarter. This represents a 2.5 percent gain over 1986. Average check size at lunch has been rising steadily for more than a year.

☐ **Promotions** were used by lunch patrons on 14.2 percent of all occasions in the 1987 summer quarter. Coupons were most frequently used, followed by specials.

1988 wholesale food price trends create foodservice opportunities

According to the 64th annual Agricultural Outlook Conference, held by the U.S. Department of Agriculture (USDA) in December 1987, prices for several frequently purchased commodities are expected to be below 1987 levels, and supplies of basic commodities should be generally higher.

If restaurant owners and managers make well-informed purchasing decisions in 1988, they will have the opportunity to reduce food costs. Pork and poultry prices, in particular, will be relatively low, which will, in turn, exert downward pressure on beef prices. Prices for non-citrus fruit are also expected to be lower in 1988 due to several large crops, most notably apples and pears. Restaurateurs can take advantage of the lower prices of these commodities by creating entree dishes utilizing chicken, turkey and pork. Expected lower winter apple and pear prices can be put to good use by offering desserts made with these two items.

In terms of menu prices, the USDA forecasts a 3 to 5 percent growth rate for 1988, with the increase expected to be at the lower end of that range. Prices for food away from home are up about 4 percent through 10 months of 1987. In contrast, the cost of food at home is expected to rise at a slower rate in 1988—0 to 2 percent. The discrepancy between the price increase for food away from home and for food at home is explained by the fact that wholesale food costs play a lesser role in determining menu prices than grocery prices.

Pork prices expected to tumble

The price of pork is forecast to be dramatically lower in 1988 than in 1987. From a third quarter 1987 wholesale price of $59 per cwt., the cost of pork dropped into the low $40s by November 1987. Prices during 1988 may even dip into the $30-per-cwt. range, with the average for the year expected to be around $40.

The lower price of pork should encourage greater consumption by consumers and keep wholesale beef prices down. In fact, per-capita consumption of pork is forecast to rise 5 pounds this year. Consumption of pork is even expected to grow faster than poultry during 1988.

Behind the lower pork price is a greatly increased supply. Commercial production is expected to climb 11 percent over 1987 levels. (Production in 1987 was only 1 percent above the 1986 level.) Higher pork prices in 1986 and 1987 brought favorable net returns to hog farmers, encouraging the increased production.

Broiler prices to drop

Restaurateurs can also expect poultry to be a good buy during this year. Down from 57 cents per pound in 1986 to 48 cents in 1987, wholesale broiler prices are forecast to drop to 44 cents per pound in 1988. This is the lowest price level in several years, and the combination of greater supplies and lower prices for competing meats, such as pork, will likely keep it there.

Four years of positive returns to poultry producers have stimulated the industry into heavy expansion. Following an 8 percent output gain in 1987, production is expected to rise another 5 percent during 1988. As production has risen, prices, in turn, have steadily decreased to the point where healthy returns no longer exist for some farmers. In 1987 returns were only 5 cents above the break-even point, compared to a 13-cent profit margin in 1986. The outlook for positive returns to farmers during 1988 is even dimmer, with farmers generally expected to be operating at the break-even point throughout the new year.

Turkey prices to remain low

Turkey output in 1988 is forecast to be 6 percent above its 1987 level, only a moderate gain compared to the 17 percent jump in 1987. Positive returns to turkey growers have resulted in dramatic output increases during the 1985–1987 period. This has pushed wholesale prices down to a level where growers experienced negative returns during 1987.

The momentum of output expansion will likely continue through the first half of 1988, pushing production 15 percent above the 1987 level. If the industry responds as it has in the past to negative returns, output in the latter half of the year will remain unchanged from a year ago. Thus, prices will rise as the new year progresses. Large cold-storage holdings and increased production should promote very low January–June turkey prices. Falling output later in the year is expected to push prices above 1987 levels in the second half of 1988.

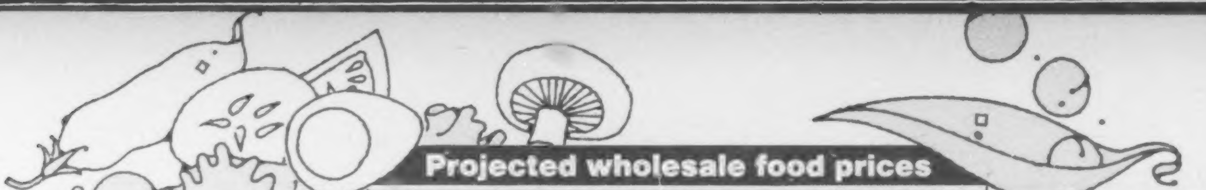
Vegetable supplies up

Stronger consumer demand for vegetables was behind the output gains and higher prices during 1987. Continued demand will push vegetable supplies higher in 1988 and thereafter. Per-person utilization of vegetables, excluding potatoes, has risen over the last decade, driven by the increasing popularity of the fresh product. (See the May 1987 issue of ***Restaurants USA*** for a report on how the popularity of fresh produce has transformed the marketplace.)

Production of the 10 major fresh vegetables (asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, onions, tomatoes and honeydews) was flat in 1987, but a 1.3 percent annual production increase is projected through 1990. The grower price index in 1987 was above that in 1986. In 1988, grower prices are expected to advance 2 to 4 percent due to greater demand. This demand is evident in grocery stores where produce sections have been enlarged.

Exotic vegetables becoming more familiar

Imports of vegetables have filled in the gaps in supply as consumer demand has



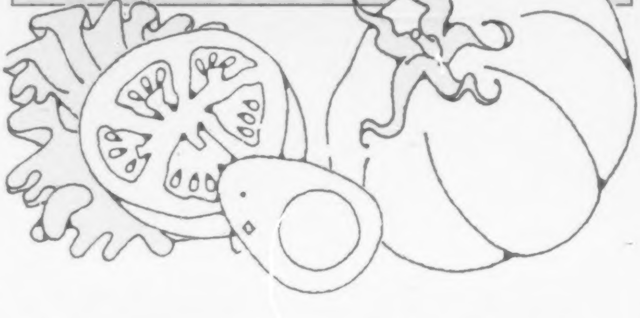
Projected wholesale food prices

Prices for broilers, turkey and eggs dropped in 1987

	1986	1987 (preliminary)	1988 (projected)
Broilers (¢/lb)[1]	57¢	47¢–48¢	40¢–46¢
Turkeys (¢/lb)[2]	72¢	56¢	51¢–57¢
Eggs (¢/doz.)[3]	71¢	63¢–64¢	60¢–66¢
Milk ($/cwt.)[4]	$12.52	$12.50–$12.75	$11.70–$12.50
Pork ($/cwt.)[5]	$51.00	$53.00–$54.00	$37.00–$43.00
Beef ($/cwt.)[6]	$58.00	$64.00–$65.00	$62.00–$68.00

[1] 12–city average
[2] Eastern region, 8 to 16-pound hens
[3] cartoned, grade-A, large white eggs in New York City
[4] at plant
[5] barrows and gilts—seven-market average
[6] choice steers—Omaha

Source: U.S. Department of Agriculture



continued to rise. Imports have also given consumers a taste of more exotic produce. Evidence of the growing interest in specialty vegetables, which include Asian, Mexican and tropical varieties, can be seen in the increased shipments of these products. Between 1980 and 1986, the annual growth rate for specialty vegetable shipments was 13 percent. In contrast, during that same period major vegetable shipments grew at a 2 percent annual rate.

While shipments of romaine lettuce and other unusual lettuce varieties have grown between 1980 and 1986, shipments of iceberg lettuce have declined. In addition, shipments of unusual pepper varieties, including red peppers, experienced 12 percent annual growth for shipments of the traditional bell pepper. Asian vegetable shipments have increased 23 percent between 1980 and 1986. Specialties, however, still account for only a fraction of total vegetable shipments—just 3 percent.

Prices up for canned and frozen vegetables

Contracted production of the four major processing vegetables (snap beans, sweet corn, peas and tomatoes) rose 5 percent in 1987. Production should continue to advance over the next few years, increasing 1 percent per year between 1987 and 1990. This growth rate is about equal to the U.S. population growth rate.

Greater production in 1987, combined with smaller average carryover stocks—the stocks of vegetables not utilized in the prior year—should boost 1988 supplies only slightly above 1987 levels. Prices for both canned and frozen vegetables are expected to remain strong in 1988 because of drawn-down stocks and the likely increase in exports.

Larger non-citrus supplies

Thanks to good weather and increased fruit bearing acreage, large supplies of almost all varieties of non-citrus fruit are expected for the 1987/88 season. Apples, kiwi fruit, pears and tart cherries should experience further increased production as those trees reach their full bearing potential.

Larger apple and pear crops should push winter prices for these fresh products lower than year-ago levels. In contrast, grape production in 1987 is expected to fall below 1986 levels because of a smaller California harvest. As a result, fresh-market grape supplies will be lower this year.

The outlook for the non-citrus processing market is mixed for 1987/88. Depleted carryover stocks are expected to result in tight supplies even though crops were larger in 1987. The price of canned fruit, therefore, should remain firm. Demand for frozen fruits and berries is likely to be stable, and, combined with a much larger supply than last year, prices should weaken.

Citrus crop recovering from freezes

The citrus crop for the 1987/88 season is expected to be slightly below last season's level because of decreased production in California and Arizona. But production in Florida and Texas is recovering from this decade's freezes. The downward trend in citrus acreage in those two states should lessen as new trees are planted. Nonetheless, production will not reach the record levels of the 1979/80 season for several years.

Prices for oranges are expected to fall this winter due to seasonally increased supplies and competition from lower non-citrus prices. Prices for navel oranges, however, will likely be above 1987 levels because of a sharply reduced California crop.

As shipments of grapefruit increase during the new year, prices are expected to fall. Domestic demand for the fresh product will likely be stable. Processed grapefruit products, in contrast, have experienced strong demand, which has kept prices firm.

Beef production continues decline

Total beef production is expected to fall 4 percent during the new year, with most of the decline taking place in the second half of 1988 as grain-fed cattle marketings dip below 1987 levels.

In addition, production costs are expected to rise in 1988 from the favorable levels last year as the record feed grain stocks are lowered. But production costs should still remain below the levels recorded in 1984 through 1986.

Wholesale beef prices, however, are not expected to rise further in 1988 because large supplies of competing meats, namely pork and poultry, will hold down any further price gains. Total red meat and poultry supplies are increasingly affecting beef prices and returns to beef producers. Wholesale beef prices are expected to be in the low to mid $60-per-cwt. range during the first quarter of 1988 and to rise in the second quarter to the low $70s due to seasonal slaughter declines. Cattle marketings should pick up by the summer, driving prices down to the upper

$60s for the rest of the year.

Milk price uncertain

The price of milk in 1988 will primarily depend on the action taken on milk-price supports. If the support price is reduced 50 cents on January 1, 1988, milk prices will likely be below those in 1987 and the lowest since 1978. In contrast, if the milk support price is left alone, average milk prices in the new year are likely to be similar to those in 1987. Overall, 1988 will be a year marked by transition as the surplus problem in the dairy industry has been reduced through both the Dairy Termination Program (DTP) and support-price reductions.

Strong egg outlook

The new year is expected to bring few surprises in the egg industry. Even though prices are weak, there are no signs of production cutbacks. Since 1980, production of table-type eggs has remained in the range of 5.1 to 5.2 billion dozen annually. Wholesale egg prices are expected to be 60 to 65 cents per dozen during 1988, compared to 62 cents per dozen in 1987.

In sum

The outlook for wholesale food prices in 1988 reveals projected declines for pork, broilers, turkey and most non-citrus fruit. Beef, a staple on many menus, is forecast to continue its slide in output, but wholesale prices are expected to be held in check by the relatively low prices of competing meats. By carefully planning commodity purchases in the year ahead, restaurateurs can take advantage of the values to be found in the marketplace.

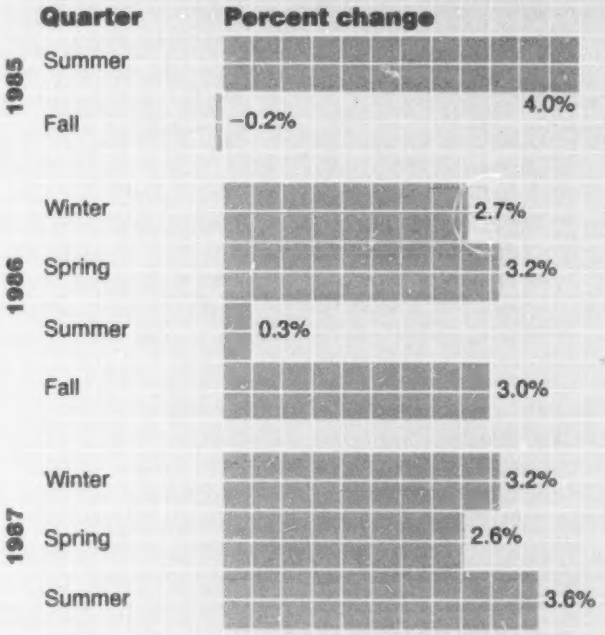
—Laurence Greenberg

June-July-August

CREST REPORT

Percent change in quarterly traffic summer 1985–summer 1987

Customer traffic rose 3.6 percent during the summer quarter



Note: Percent change is over same period of the prior year
Source: NPD CREST, *Household Report*, Summer 1985–Summer 1987

The restaurant industry turned in its strongest performance in more than a year during the 1987 summer quarter. The 3.6 percent rise in customer traffic and the 6.3 percent increase in sales were the largest gains posted during the first three quarters of 1987. The summer period marked the seventh consecutive quarter that customer traffic increased.

On-premises dining, which had slipped in the spring quarter, rose by a healthy margin last summer. Customer counts for off-premises dining were also up, but the increase was well below the 9.8 percent advance seen in the spring.

The quickservice segment continued to outperform the other segments of the industry. However, moderate-check upscale restaurants have been enjoying positive gains in traffic as well.

Breakfast was again the weakest of the three meal periods, posting its second decline in customer counts for the year. Traffic at dinner continued climbing and lunch made a strong showing during the 1987 summer quarter.

Segment summary

□ **Customer traffic** at all restaurants rose 3.6 percent during the 1987 summer quarter. Traffic for both on and off-premises dining was up, by 3.1 and 4.3 percent, respectively. The quickservice segment recorded a 5.2 percent gain in traffic. On-premises traffic grew at a slightly faster pace than off-premises traffic at quickservice restaurants—5.7 versus 4.8 percent.

Customer traffic at midscale restaurants held at its 1986 level. Both on and off-premises customer counts were flat. A 2.1 percent increase was seen in traffic at upscale restaurants. Moderate-check restaurants posted a 4.9 percent increase while customer counts declined a steep 5.9 percent at higher-check upscale places. Counts for off-premises dining rose 7.7 percent at upscale restaurants. Traffic for on-premises eating also increased, but by a much smaller margin—1.7 percent.

□ **Sales** at the nation's restaurants increased 6.3 percent, buoyed by gains in customer traffic and average check sizes. An 8.6 percent advance was seen in sales at quickservice restaurants during the 1987 summer quarter, and midscale places posted a 4.7 percent gain. A 6.3 percent rise in sales at moderate-check upscale restaurants offset a 1.6 percent decline in sales at higher-check establishments to boost total upscale restaurant sales by 3.3 percent.

□ The **average check size** for all restaurants reached $3.47 in the 1987 summer quarter—2.7 percent higher than at the

The 1987 summer quarter at a glance

Customer counts and sales advanced in nearly all segments of the industry during the 1987 summer quarter

	Percent change in				
	Traffic	**Sales**	**Average check size**	**Penetration**	**Number of households reached**
Total restaurants	3.6%	6.3%	2.7%	−1.1%	1.2%
Quickservice	5.2	8.6	3.3	−0.2	2.2
Midscale	nc	4.7	4.6	1.0	3.3
Upscale	2.1	3.3	1.3	−2.8	0.6
• Moderate-check	4.9	6.3	1.4	−1.8	0.4
• Higher-check	−5.9	−1.6	4.6	−8.1	−6.0
Breakfast	−2.6	nc	3.0	−0.9	1.4
Lunch	5.4	8.1	2.5	−1.0	1.3
Dinner	6.0	6.9	0.9	−0.1	2.2

nc = no change

Note: Percent change is over same period of the prior year
Source: NPD CREST, *Household Report*, Summer 1987

same time in 1986. At quickservice restaurants the average check size stood at $2.51—a 3.3 percent increase. The average check size at midscale restaurants moved up 4.6 percent to a level of $4.32. The average check size at moderate-check upscale restaurants reached $7.46 and was $13.38 at higher-check upscale restaurants, representing increases of 1.4 and 4.6 percent, respectively. **Promotions*** were used on 15.3 percent of all restaurant occasions in the 1987 summer quarter. Deal usage was highest at quickservice restaurants. Consumers used promotions on 16.8 percent of all quickservice occasions. At midscale restaurants, promotions were used on 12.7 percent of all occasions. Patrons used a deal on 10.9 percent of all moderate-check upscale restaurant occasions and on 13.5 percent of all higher-check upscale occasions.

Meal period summary

☐ Dinner registered a healthy 6.0 percent increase in **customer traffic**, and lunch was not far behind with a 5.4 percent advance. Customer counts for on-premises dining climbed 4.5 percent at dinner and 4.2 percent at lunch.

Lunch recorded a 7.4 percent increase in off-premises counts. Takeout traffic rose 7.0 percent at dinner. Traffic for both on and off-premises dining declined at breakfast, by 1.2 and 5.6 percent, respectively. Overall customer counts at breakfast were down 2.6 percent.

☐ **Lunch sales** jumped 8.1 percent during the 1987 summer quarter—the largest gain across all three meal periods. Sales at dinner rose 6.9 percent, while breakfast sales held at their 1986 level.

☐ The **average check size** was up at all meal periods, with breakfast posting the largest gain—up 3.0 percent to $2.38. At lunch, the average check size was $3.28, representing a 2.5 percent increase. The average check size at dinner inched up 0.9 percent to $4.72.

☐ Restaurant patrons used **promotions*** on 19.9 percent of all dinner occasions. Promotions were used on 13.0 and 14.2 percent, respectively, of all breakfast and lunch occasions during the 1987 summer quarter.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 nonfamily households representing demographic patterns in the United States have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-in places, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quickservice, midscale or upscale restaurants).

The CREST study can also provide valuable information concerning customer behavior, such as how much people spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Road, Park Ridge, IL 60068-5798.

**CREST has changed the way it collects information on consumers' use of promotions. The new format prompts consumers with a wider variety of promotional choices. It also allows for multiple responses to account for the use of more than one promotion on a single occasion. Consequently, 1987 summer quarter data is not strictly comparable with that of prior quarters.*

Census questionnaires due February 15

No matter what size your business is or how sophisticated your information needs are, the Economic Censuses can provide the statistical information you need.

How many fast food places are located within one mile of 18th Street and Pennsylvania Avenue, N.W. in Washington, DC? What is the sales volume of restaurants in Omaha that have an average per-person check of $10 or more? And how many of these restaurants are there?

Today, successful restaurateurs—independent operators and multiunit executives alike—need information to guide their investment decisions.

It doesn't matter what size your company is or how sophisticated your information needs are because the primary source is still the same—the Economic Censuses conducted by the Bureau of the Census.

The Economic Censuses are the major source of facts about the structure and functioning of the nation's economy. They provide essential information for government, business and the public.

Who uses census data?

Census data are used by the private sector as well as by the government for many purposes:

☐ Restaurateurs often use the data in making decisions to open a restaurant or reposition a menu concept.

☐ Managers need census facts for sales forecasting; analyzing sales performance; laying out sales territories; allocating advertising budgets; and locating new plants, warehouses and stores.

☐ Trade and professional associations depend on census information to learn how their industries are changing.

☐ State and local governments and chambers of commerce use census statistics to understand business structures and changes occurring in their areas.

☐ Business magazines rely on census facts as background for many of their articles.

☐ The federal government uses the data as an important part of the framework for such composite measures as the Gross National Product; indices of industrial production, productivity and price change; and monthly surveys of economic activity. All of these are essential for understanding changes in economic conditions and determining basic economic policy.

How are data collected?

At the end of 1987, the Census Bureau mailed questionnaires to many firms. The Census Bureau will process the information supplied on these questionnaires, and, during the last part of 1988, it will begin publishing the summarized results as part of the 1987 Economic Censuses.

Nearly 500 different types of report forms are used in the census, each tailored to the particular type of industry covered. Restaurants report their activities on part of the form CB-5801, "Eating, Drinking," 1987 Census of Retail Trade.

The content of the various report forms was developed in consultation with representative data users and data suppliers, trade associations, accounting organizations, the Business Advisory Council on Federal Reports and the Office of Management and Budget. The National Restaurant Association worked closely with the Retail Census staff as they designed the questionnaire for eating and drinking places.

Is the census mandatory? Is it confidential?

Title 13 of the United States Code requires that the 1987 Economic Censuses be taken and that firms complete the questionnaires sent to them. This same law guarantees that the *Census Bureau will publish no data that could reveal the identity or activities of any specific individual or firm*. It is also important to know that the Census Bureau does not turn questionnaire data over to other government agencies. Questionnaires are used solely for developing summary statistics and cannot be used for taxation, investigation or regulation.

What is your responsibility?

The number and type of report forms each company receives will depend on its size and the diversity of its operations. Each firm included in the census will be sent a small number of forms requesting company data plus separate forms for each individual establishment.

General inquiries on form CB-5801, "Eating, Drinking," include employer identification number, location of establishment, period of operation, legal form of organization, sales and other operating receipts, employment, payroll, kind of business conducted and method of selling.

Industry specific questions on form CB-5801 include seating capacity, type of foodservice and average expenditure per person per meal. The form also asks for merchandise line sales, including on and off-premises sales of meals, snacks and nonalcoholic beverages. If your records do not provide such detailed sales information, the Census Bureau will accept estimates.

The time is now

The due date for returning census forms is February 15, 1988. Extensions may be granted upon request.

You should make whatever arrangements are needed to distribute census forms within your company. It is in the best interest of the industry that we have the best information available from the 1987 census. It will be our benchmark for the next five years.

Call the Census Bureau at (800) 233-6136 if you have any questions about the census or about how to make reporting arrangements.

—Susan Mills

1 NEW ENGLAND

Location: Lowell, MA
Association member: Dag Borthen
Operation: Town House Inn
Profile: Fullservice family restaurant
In business: 3 years
Seats: 75
Meals served: Breakfast, lunch, dinner

"Business is very good. It's hopping along," says **Dag Borthen,** general manager of the Town House Inn, which is part of a 75-room hotel restaurant complex. Wang Laboratories, Inc. owns the complex and provides many of the restaurant's customers. "When Wang coughs we jump," Borthen says.

Located in Lowell, Massachusetts, the Town House Inn is one of many businesses in the area that relies heavily on Wang, which is headquartered in nearby Tewksbury. "Wang is very important to the whole city. They are the largest employer and are responsible for the growth in the area," explains Borthen. "When they had a little slowdown in business last year, everybody felt it. But things have picked up now," he says.

Lunch is the profit-making meal at the Town House Inn. About 150 people stop in for lunch on a good day, ordering seafood, pasta or a sandwich.

2 MID ATLANTIC

Location: New York, NY
Association members: Janice Fried, John Calder, George Magerus
Operation: The Ravelled Sleave
Profile: Upscale restaurant
In business: 20 years
Seats: 65
Meals served: Dinner, brunch on weekends

"Business has been good. Winter is always good," says **Janice Fried,** manager of The Ravelled Sleave. "There are more people around in the winter. In the summer a lot of people go away."

The Ravelled Sleave's rack of lamb—its signature—and seafood specials attract a loyal clientele to the upscale restaurant in New York City's Upper East Side. The restaurant's bar is also popular.

"It's a very comfortable place," says Fried. The candlelit dining room with its fireplace makes the restaurant "romantic and intimate," she says. A piano player adds to the atomosphere nightly.

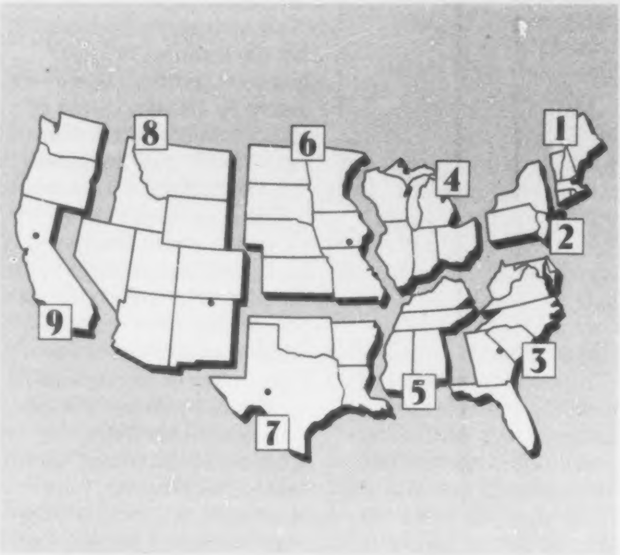
Although the Ravelled Sleave has a French chef, it features American food, such as chicken, steaks and liver. A typical dinner costs between $25 and $30.

3 SOUTH ATLANTIC

Location: Augusta, GA
Association member: Susan F. Morgan
Operation: T's Restaurant, Inc.
Profile: Fullservice leisure dining
In business: 36 years
Seats: 175
Meals served: Lunch, dinner

"Business typically slows down during September, October and November," says **Susan F. Morgan,** coowner of T's Restaurant, Inc. "With Christmas, business picks up a little, but December is still a slow month. Overall, though, business is good. Sales have increased 20 percent this year."

T's Restaurant, Inc. is undergoing a gradual renovation to make it more upscale. Recent changes include installing carpeting, replacing formica tables with wooden ones, purchasing upholstered chairs and getting higher quality china, silverware and napkins. Morgan is planning to extend this facelift to the takeout area as well. Takeout now accounts for about 25 percent of the restaurant's sales.



"You have to keep improving," says Morgan. When Morgan's father opened the restaurant 36 years ago, it had just one dining room. Today, the restaurant, which specializes in Southern fried catfish and other seafood, has grown to three dining rooms and a lounge.

4 EAST NORTH CENTRAL

Location: Marquette, MI
Association member: Joseph Fountain
Operation: Togo's Submarines
Profile: Sub shop
In business: 23 years
Seats: 15
Meal served: Lunch all day

"Business is excellent. We've seen an increase every single year," says **Kathy Garrow,** manager of Togo's Submarines. Located in Marquette, Michigan, Togo's benefits from being in a college town that also attracts many tourists in the summer and winter.

Togo's offers customers 35 varieties of sandwiches, which are served on its homemade wheat or white bread. Garrow says she tries to avoid promotions and giveaways because she wants to keep prices low. A 6-inch sub still costs less than $2.

"Our big aim is to keep making Togo's more convenient," she says. Togo's offers delivery at night, which is popular among both the townspeople and college students. Customers also can call in orders and then pick them up at the window.

5 EAST SOUTH CENTRAL

Location: D'Lo, MS
Association member: Gary Hudspeth
Operation: D'Lo Restaurant
Profile: Fullservice family restaurant

Books are also tools of the trade.

Reliable data, new ideas, new techniques mean growth. National Restaurant Association publications teach you how to take the next step.

How to Recruit, Hire and Retain Employees
Step by step advice on finding and keeping staff
96 pages, 1987, $15.00 members, $30.00 nonmembers

Building Profits
Series of essays first appearing in *RESTAURANTS USA* on new profit centers and control systems
100 pages, 1985, $14.95

How to Prepare A Restaurant Operators Manual
Clear directives for developing an operations manual which will save money and improve employee morale
134 pages, 1982, $10.00 members, $20.00 nonmembers

Sanitary Assessment of Food Environment S.A.F.E.
Self-inspection system to reduce risk of foodborne illness
24 pages, 1987, $5.00 members, $7.50 nonmembers

Crisis Management Manual
Brochure covering all aspects—pre-crisis preparation, response during disaster, handling media
12 pages, 1987, $4.00

PRO-Motion
Bimonthly newsletter on promoting your restaurant
1 year subscription, $15.00

The National Restaurant Association's *Catalog of Publications* lists 106 other titles which can help you grow. To order books or a catalog, call the Publications Department, 800/424-5156.

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Seminar Summaries

BAQ **Banquet Management** focuses primarily on the administration of banquet facilities and functions, including presentation, timing, pricing, forecasting and equipment.

3/16 Pittsfield, MA
3/18 Seattle, WA
3/23 Calgary, Alberta, CAN
3/25 Winnipeg, Manitoba, CAN
4/20 Tampa, FL
4/21 Newark, NJ
6/7 Houston, TX
6/8 Dallas, TX

BAR **Beverage Management** will help operators reach new markets, develop profitable merchandising programs, improve controls, spot consumer trends and boost wine sales. It also discusses current "Alcoholic Beverage Consciousness" and what it means in today's business environment.

2/10-11 San Diego, CA
2/24-25 Charlotte, NC
4/12-13 Norfolk, VA
5/21-22 Chicago, IL
6/28-29 San Francisco, CA

BUF **Planning Successful Buffets** is applicable to almost any size foodservice operation, covers the basics of buffet service, with emphasis on creative menu, decor and preparation.

1/25 Chicago, IL
2/8 Detroit, MI
4/25 Riverside, CA
4/26 Long Beach, CA
5/21 Chicago, IL

COM **Practical Foodservice Spreadsheets** is a hands-on computer workshop designed to allow even novice computer users to create useful foodservice-specific worksheets, using Lotus 1-2-3®.

1/20 Washington, DC

DES **Understanding the Restaurant Design Process** was developed to give foodservice executives the background necessary to understand and control their restaurant design projects and avoid costly mistakes. The focus includes: analyzing the feasibility of the project; planning space and equipment according to function and the menu; a workshop on resolving design problems; and working with architects, engineers, consultants etc.

2/22-23 Louisville, KY
3/24-25 Phoenix, AZ
4/13-14 Columbus, OH
5/21-22 Chicago, IL

DPR **Do It Yourself Public Relations** will teach the foodservice operator basic principles of PR, promotion and publicity. The successful PR program that attendees will design shall build patronage, position the restaurant as a "good neighbor" in its community and reinforce the establishment as the restaurant of choice, thereby increasing sales.

2/24 Portland, OR
2/25 Seattle, WA
4/20 Nassau, NY
4/21 Providence, RI
6/8 Tysons Corner, VA
6/9 Baltimore, MD
6/14 Pittsburgh, PA

DRM **Dining Room Management** focuses on the many aspects of front-of-the-house management, including building basic management skills, getting the most from employees and handling problems on the floor. This course is appropriate for all levels–owner/operators, dining room manager/supervisors, waiters and waitresses.

1/25 Washington, DC
1/27 Dallas, TX
2/9 Rosemont, IL
2/23 San Francisco, CA
2/24 Anaheim, CA
3/2 New York, NY
3/3 Nassau, NY
3/7 Burlington, VT
3/9 Orlando, FL
3/15 Rochester, NY
4/12 Pittsburgh, PA
4/26 Boston, MA
4/27 Albany, NY
5/2 Norfolk, VA
5/3 Atlanta, GA
5/10 Wilmington, DE
5/21 Chicago, IL
6/14 Los Angeles, CA
6/15 Riverside, CA
6/28 Portland, OR
6/29 Seattle, WA

FCM **Food Cost Management** presents a new angle from which to examine a foodservice operation and identify the factors behind "lost" money. The instructor has developed a system for use in any size restaurant that allows the operator to track actual food use, and thereby control costs. Attendees will receive all the forms and management tools needed to implement a complete food cost control program in their operation.

2/2 Jacksonville, FL
2/3 Tampa, FL
3/14 Los Angeles, CA
5/22 Chicago, IL

HIR **Hiring in a Tight Labor Market** will give attendees the tools to increase reliable applicant sources, evaluate application forms, perform a hospitality evaluation of job candidates, and train management to become better at hiring to solve one of the Hospitality Industry's most difficult business problems: Finding caring, competent employees to take care of your customer's needs.

1/20 New York, NY
1/21 Philadelphia, PA
4/26 Atlanta, GA
4/27 Orlando, FL
5/11 San Francisco, CA
5/12 San Diego, CA
5/22 Chicago, IL

INC **Increasing Sales** attendees will be able to analyze and assess their present service style in relation to current service trends. Specific opportunities and methods for improving sales in the dining room will be addressed. Attendees will examine the sequence of service, merchandising techniques, sales incentives, motivation and more.

1/28 Oklahoma City, OK
2/25 San Diego, CA
3/7 Washington, DC
4/14 Wilmington, DE
5/19 Hartford, CT
5/22 Chicago, IL
6/21 Burlington, VT

KIM **Kitchen Management** is a comprehensive program on the basics of kitchen management. This seminar presents money-saving techniques for improving efficiency and productivity. The focus includes:

- Purchasing and receiving
- Maintaining food quality
- Food cost
- Food production & preparation
- Effective management techniques

1/21 Oakland, CA
1/22 San Diego, CA
2/8 Seattle, WA
2/22 Wilmington, DE
3/7 Rosemont, IL
3/8 Portland, ME
3/28 Tampa, FL
4/11 New Orleans, LA
4/12 Atlanta, GA
4/14 Honolulu, HI
4/18 Houston, TX
4/19 Phoenix, AZ
4/20 Boise, ID
5/4 Detroit, MI
5/5 Pittsburgh, PA
5/21 Chicago, IL
6/6 Boston, MA
6/7 Albany, NY
6/13 Washington, DC

MEN **Menus that Sell!** covers all the elements for developing a successful menu–a restaurant's number-one sales and marketing tool. From identifying poor performers and adding new money-making items to designing and laying out an effective menu, this practical program will help you take full advantage of your menu.

1/27 Ventura, CA
1/28 Newport Beach, CA
4/21 Bethesda, MD
5/3 Covington, KY
5/21 Chicago, IL
6/16 Columbia, SC

MOT **Employee Motivation** instructs you how to hire motivated employees from the outset as well as how to use practical incentive programs, team building exercises and employee work groups to further motivate employees in the operation.

2/22 Vancouver, B.C., CAN
2/24 Saskatoon, Sask., CAN
2/26 Winnipeg, Manitoba, CAN
3/22 Boston, MA
3/23 Hartford, CT
5/21 Chicago, IL
5/24 Omaha, NE

MRT **Planning and Implementing a Restaurant Marketing Strategy** focuses on the basics of restaurant marketing for increasing profit in the operation by increasing new and repeat customer trade, minimizing the risk involved with expansion as well as anticipating and resolving problems that threaten sales, growth or profits.

4/5-6 San Diego, CA
5/21-22 Chicago, IL

OPA **Operational Analysis** is designed to provide specific, in-depth procedures for examining your restaurant business objectively and comparing that operation to the entire foodservice industry. The course covers both finance and management analysis to help restaurateurs identify the strengths, weaknesses and potential of their operation.

3/9-10 Atlanta, GA
4/6-7 Portland, OR
5/21-22 Chicago, IL

OPC **Off-Premises Catering** offers a complete guide to the essentials of a catering business, as well as an analysis of the common pitfalls. Focus includes: analyzing the potential market, developing new business, menu development, selecting foodservice style, developing a good cost program, production and handling, on-site staff, current trends and "signature foods."

1/20-21 New Orleans, LA
2/17-18 New York, NY
3/17-18 Denver, CO
3/22-23 Minneapolis/St. Paul, MN
4/13-14 Westchester, NY
5/3-4 Baltimore, MD
5/21-22 Chicago, IL

PCS **Perfecting Your Culinary Skills** combines lecture with demonstration to instruct attendees in the fundamentals of cooking techniques that improve food quality while lowering costs. Recommended as an introduction for kitchen assistants, line cooks and chefs.

2/10 Cleveland, OH
3/28 Riverside, CA
3/29 San Diego, CA

PFT **Profitability** offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level. Profitability introduces a variety of practical and innovative operating systems, management techniques and cost control tips that can be immediately implemented in your restaurant.

1/20 Toronto, Ontario, CAN
1/22 Halifax, Nova Scotia, CAN
2/3 Los Angeles, CA
2/4 Anaheim, CA
3/7 Shreveport, LA
3/9 New York, NY
4/6 Lexington, KY
4/7 Indianapolis, IN
5/22 Chicago, IL

RES **Restaurant Real Estate Site Selection and Market Feasability** will cover the key principles of selecting sites for foodservice operations, including market structure, customer profiles, the physical features of sites and economic/financial consideration.

1/25-26 San Francisco, CA
5/21-22 Chicago, IL

SAS **Soups and Sauces** focuses on items that are inexpensive and easily prepared, yet are distinctive and profitable menu additions. Instruction provides the techniques and principles upon which all soups and sauces are based.

3/14 Atlantic City, NJ
4/18 St. Louis, MO
4/19 Minneapolis, MN
5/19 Savannah, GA
5/22 Chicago, IL
6/13 Grand Rapids, MI

SST **Server Sales Training** is a low cost, effective way to grant proven sales techniques directly to the servers who will use them in your dining room. Two sessions each date, so both your lunch and dinner servers may attend.

1/27 Austin, TX
3/23 Washington, DC
3/24 Philadelphia, PA
4/7 San Francisco, CA
5/17 New York, NY
6/22 Boston, MA

TFT **Tools for Training** will help you build a solid employee training program. The techniques presented in this seminar have been tested in the dynamics of the foodservice environment. The program focuses on the why's and how-to's of training.

3/7 Gatlinburg, TN
3/9 Philadelphia, PA
4/6 Portland, ME
4/8 Ocean City, MD
4/12 Tucson, AZ
5/22 Chicago, IL
6/21 Austin, TX
6/22 New Orleans, LA

WST **Wine Server Training** is a three hour program that wil equip servers with the essentials used to consciously and effectively sell wines to your guests. Attendees will learn about; the components of wine, varietal differences, and techniques and opportunitites to increase wine sales.

2/9 Philadelphia, PA
2/11 Washington, DC
4/7 New York, NY
4/13 Denver, CO
5/5 Dallas, TX
6/21 Chicago, IL
6/22 Cincinnati, OH

For information & registration, call:

1-800-424-5156

The Educational Foundation of the National Restaurant Association

January-March 1988 • Seminar Schedule

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					COVERS SALES 1 New Year's Day JANUARY	COVERS SALES 2
COVERS SALES 3	COVERS SALES 4	COVERS SALES 5	COVERS SALES 6	COVERS SALES 7	COVERS SALES 8	COVERS SALES 9
COVERS SALES 10	COVERS SALES 11	COVERS SALES 12	COVERS SALES 13	COVERS SALES 14	COVERS SALES 15	COVERS SALES 16
COVERS SALES 17	COVERS SALES 18 Martin Luther King, Jr. Birthday Observed	COVERS SALES 19	COVERS SALES 20 COM-Washington, DC HIR-New York, NY OPC-New Orleans, LA PFT-Toronto, Ontario, CAN	COVERS SALES 21 HIR-Philadelphia, PA KIM-Oakland, CA OPC-New Orleans, LA	COVERS SALES 22 KIM-San Diego, CA PFT-Halifax, Nova Scotia, CAN	COVERS SALES 23
COVERS SALES 24 Independent Foodservice Operator's Conference Miami Beach, FL	COVERS SALES 25 BUF-Chicago, IL DRM-Washington, DC RES-San Francisco, CA	COVERS SALES 26 RES-San Francisco, CA	COVERS SALES 27 DRM-Dallas, TX MEN-Ventura, CA SST-Austin, TX	COVERS SALES 28 INC-Oklahoma City, OK MEN-Newport Beach, CA	COVERS SALES 29	COVERS SALES 30
COVERS SALES 31 Super Bowl Sunday	COVERS SALES 1 FEBRUARY	COVERS SALES 2 FCM-Jacksonville, FL	COVERS SALES 3 FCM-Tampa, FL PFT-Los Angeles, CA	COVERS SALES 4 PFT-Anaheim, CA	COVERS SALES 5	COVERS SALES 6
COVERS SALES 7	COVERS SALES 8 BUF-Detroit, MI KIM-Seattle, WA	COVERS SALES 9 DRM-Rosemont, IL WST-Philadelphia, PA	COVERS SALES 10 BAR-San Diego, CA PCS-Cleveland, OH	COVERS SALES 11 BAR-San Diego, CA DRM-Toronto, Ontario, CAN WST-Washington, DC	COVERS SALES 12 Lincoln's Birthday	COVERS SALES 13
COVERS SALES 14 St. Valentine's Day	COVERS SALES 15 Washington's Birthday	COVERS SALES 16	COVERS SALES 17 OPC-New York, NY	COVERS SALES 18 OPC-New York, NY	COVERS SALES 19	COVERS SALES 20
COVERS SALES 21	COVERS SALES 22 DES-Louisville, KY KIM-Wilmington, DE MOT-Vancouver, B.C., CAN	COVERS SALES 23 DES-Louisville, KY DRM-San Francisco, CA	COVERS SALES 24 BAR-Charlotte, NC DPR-Portland, OR DRM-Anaheim, CA MOT-Saskatoon, Sask., CAN	COVERS SALES 25 BAR-Charlotte, NC DPR-Seattle, WA INC-San Diego, CA	COVERS SALES 26 MOT-Winnipeg, Manitoba, CAN	COVERS SALES 27
COVERS SALES 28	COVERS SALES 29	COVERS SALES 1 MARCH	COVERS SALES 2 DRM-New York, NY	COVERS SALES 3 DRM-Nassau, NY	COVERS SALES 4	COVERS SALES 5
COVERS SALES 6	COVERS SALES 7 DRM-Burlington, VT INC-Washington, DC KIM-Rosemont, IL PFT-Shreveport, LA TFT-Gatlinburg, TN	COVERS SALES 8 National Conference on Computers in Foodservice Orlando, FL MEN-Toronto, Ontario, CAN KIM-Portland, ME	COVERS SALES 9 DRM-Orlando, FL OPA-Atlanta, GA PFT-New York, NY TFT-Philadelphia, PA	COVERS SALES 10 OPA-Atlanta, GA	COVERS SALES 11	COVERS SALES 12
COVERS SALES 13	COVERS SALES 14 FCM-Los Angeles, CA SAS-Atlantic City, NJ	COVERS SALES 15 DRM-Rochester, NY	COVERS SALES 16 BAQ-Pittsfield, MA	COVERS SALES 17 St. Patrick's Day OPC-Denver, CO	COVERS SALES 18 BAQ-Seattle, WA OPC-Denver, CO	COVERS SALES 19
COVERS SALES 20	COVERS SALES 21	COVERS SALES 22 MOT-Boston, MA OPC-Minneapolis, MN	COVERS SALES 23 BAQ-Calgary, Alberta, CAN MOT-Hartford, CT OPC-Minneapolis, MN SST-Washington, DC	COVERS SALES 24 DES-Phoenix, AZ SST-Philadelphia, PA	COVERS SALES 25 BAQ-Winnipeg, Manitoba, CAN DES-Phoenix, AZ	COVERS SALES 26
COVERS SALES 27 Palm Sunday National Conference on Strategies for Restaurant Growth Los Angeles, CA	COVERS SALES 28 KIM-Tampa, FL PCS-Riverside, CA	COVERS SALES 29 PCS-San Diego, CA	COVERS SALES 30	COVERS SALES 31		

Seminar Summaries

BAQ **Banquet Management** focuses primarily on the administration of banquet facilities and functions, including presentation, timing, pricing, forecasting and equipment.

3/16 Pittsfield, MA
3/18 Seattle, WA
3/23 Calgary, Alberta, CAN
3/25 Winnipeg, Manitoba, CAN
4/20 Tampa, FL
4/21 Newark, NJ
6/7 Houston, TX
6/8 Dallas, TX

BAR **Beverage Management** will help operators reach new markets, develop profitable merchandising programs, improve controls, spot consumer trends and boost wine sales. It also discusses current "Alcoholic Beverage Consciousness" and what it means in today's business environment.

2/10-11 San Diego, CA
2/24-25 Charlotte, NC
4/12-13 Norfolk, VA
5/21-22 Chicago, IL
6/28-29 San Francisco, CA

BUF **Planning Successful Buffets** is applicable to almost any size foodservice operation, covers the basics of buffet service, with emphasis on creative menu, decor and preparation.

1/25 Chicago, IL
2/8 Detroit, MI
4/25 Riverside, CA
4/26 Long Beach, CA
5/21 Chicago, IL

COM **Practical Foodservice Spreadsheets** is a hands-on computer workshop designed to allow even novice computer users to create useful foodservice-specific worksheets, using Lotus 1-2-3©.

1/20 Washington, DC

DES **Understanding the Restaurant Design Process** was developed to give foodservice executives the background necessary to understand and control their restaurant design projects and avoid costly mistakes. The focus includes: analyzing the feasibility of the project; planning space and equipment according to function and the menu; a workshop on resolving design problems; and working with architects, engineers, consultants etc.

2/22-23 Louisville, KY
3/24-25 Phoenix, AZ
4/13-14 Columbus, OH
5/21-22 Chicago, IL

DPR **Do It Yourself Public Relations** will teach the foodservice operator basic principles of PR, promotion and publicity. The successful PR program that attendees will design shall build patronage, position the restaurant as a "good neighbor" in its community and reinforce the establishment as the restaurant of choice, thereby increasing sales.

2/24 Portland, OR
2/25 Seattle, WA
4/20 Nassau, NY
4/21 Providence, RI
6/8 Tysons Corner, VA
6/9 Baltimore, MD
6/14 Pittsburgh, PA

DRM **Dining Room Management** focuses on the many aspects of front-of-the-house management, including building basic management skills, getting the most from employees and handling problems on the floor. This course is appropriate for all levels–owner/operators, dining room manager/supervisors, waiters and waitresses.

1/25 Washington, DC
1/27 Dallas, TX
2/9 Rosemont, IL
2/23 San Francisco, CA
2/24 Anaheim, CA
3/2 New York, NY
3/3 Nassau, NY
3/7 Burlington, VT
3/9 Orlando, FL
3/15 Rochester, NY
4/12 Pittsburgh, PA
4/26 Boston, MA
4/27 Albany, NY
5/2 Norfolk, VA
5/3 Atlanta, GA
5/10 Wilmington, DE
5/21 Chicago, IL
6/14 Los Angeles, CA
6/15 Riverside, CA
6/28 Portland, OR
6/29 Seattle, WA

CM **Food Cost Management** presents a new angle from which to examine a foodservice operation and identify the factors behind "lost" money. The instructor has developed a system for use in any size restaurant that allows the operator to track actual food use, and thereby control costs. Attendees will receive all the forms and management tools needed to implement a complete food cost control program in their operation.

2/2 Jacksonville, FL
2/3 Tampa, FL
3/14 Los Angeles, CA
5/22 Chicago, IL

IR **Hiring in a Tight Labor Market** will give attendees the tools to increase reliable applicant sources, evaluate application forms, perform a hospitality evaluation of job candidates, and train management to become better at hiring to solve one of the Hospitality Industry's most difficult business problems: Finding caring, competent employees to take care of your customer's needs.

1/20 New York, NY
1/21 Philadelphia, PA
4/26 Atlanta, GA
4/27 Orlando, FL
5/11 San Francisco, CA
5/12 San Diego, CA
5/22 Chicago, IL

NC **Increasing Sales** attendees will be able to analyze and assess their present service style in relation to current service trends. Specific opportunities and methods for improving sales in the dining room will be addressed. Attendees will examine the sequence of service, merchandising techniques, sales incentives, motivation and more.

1/28 Oklahoma City, OK
2/25 San Diego, CA
3/7 Washington, DC
4/14 Wilmington, DE
5/19 Hartford, CT
5/22 Chicago, IL
6/21 Burlington, VT

IM **Kitchen Management** is a comprehensive program on the basics of kitchen management, this seminar presents money-saving techniques for improving efficiency and productivity. The focus includes:

- Purchasing and receiving
- Maintaining food quality
- Food cost
- Food production & preparation
- Effective management techniques

1/21 Oakland, CA
1/22 San Diego, CA
2/8 Seattle, WA
2/22 Wilmington, DE
3/7 Rosemont, IL
3/8 Portland, ME
3/28 Tampa, FL
4/11 New Orleans, LA
4/12 Atlanta, GA
4/14 Honolulu, HI
4/18 Houston, TX
4/19 Phoenix, AZ
4/20 Boise, ID
5/4 Detroit, MI
5/5 Pittsburgh, PA
5/21 Chicago, IL
6/6 Boston, MA
6/7 Albany, NY
6/13 Washington, DC

EN **Menus that Sell!** covers all the elements for developing a successful menu–a restaurant's number-one sales and marketing tool. From identifying poor performers and adding new money-making items to designing and laying out an effective menu, this practical program will help you take full advantage of your menu.

1/27 Ventura, CA
1/28 Newport Beach, CA
4/21 Bethesda, MD
5/3 Covington, KY
5/21 Chicago, IL
6/16 Columbia, SC

OT **Employee Motivation** instructs you how to hire motivated employees from the outset as well as how to use practical incentive programs, team building exercises and employee work groups to further motivate employees in the operation.

2/22 Vancouver, B.C., CAN
2/24 Saskatoon, Sask., CAN
2/26 Winnipeg, Manitoba, CAN
3/22 Boston, MA
3/23 Hartford, CT
5/21 Chicago, IL
5/24 Omaha, NE

RT **Planning and Implementing a Restaurant Marketing Strategy** focuses on the basics of restaurant marketing for increasing profit in the operation by increasing new and repeat customer trade, minimizing the risk involved with expansion as well as anticipating and resolving problems that threaten sales, growth or profits.

4/5-6 San Diego, CA
5/21-22 Chicago, IL

PA **Operational Analysis** is designed to provide specific, in-depth procedures for examining your restaurant business objectively and comparing that operation to the entire foodservice industry. The course covers both finance and management analysis to help restaurateurs identify the strengths, weaknesses and potential of their operation.

3/9-10 Atlanta, GA
4/6-7 Portland, OR
5/21-22 Chicago, IL

PC **Off-Premises Catering** offers a complete guide to the essentials of a catering business, as well as an analysis of the common pitfalls. Focus includes: analyzing the potential market, developing new business, menu development, selecting foodservice style, developing a good cost program, production and handling, on-site staff, current trends and "signature foods."

1/20-21 New Orleans, LA
2/17-18 New York, NY
3/17-18 Denver, CO
3/22-23 Minneapolis, MN
4/13-14 Westchester, NY
5/3-4 Baltimore, MD
5/21-22 Chicago, IL

CS **Perfecting Your Culinary Skills** combines lecture with demonstration to instruct attendees in the fundamentals of cooking techniques that improve food quality while lowering costs. Recommended as an introduction for kitchen assistants, line cooks and chefs.

2/10 Cleveland, OH
3/28 Riverside, CA
3/29 San Diego, CA

FT **Profitability** offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level. Profitability introduces a variety of practical and innovative operating systems, management techniques and cost control tips that can be immediately implemented in your restaurant.

1/20 Toronto, Ontario, CAN
1/22 Halifax, Nova Scotia, CAN
2/3 Los Angeles, CA
2/4 Anaheim, CA
3/7 Shreveport, LA
3/8 New York, NY
4/6 Lexington, KY
4/7 Indianapolis, IN
5/22 Chicago, IL

ES **Restaurant Real Estate Site Selection and Market Feasability** will cover the key principles of selecting sites for foodservice operations, including market structure, customer profiles, the physical features of sites and economic/financial consideration.

1/25-26 San Francisco, CA
5/21-22 Chicago, IL

AS **Soups and Sauces** focuses on items that are inexpensive and easily prepared, yet are distinctive and profitable menu additions. Instruction-provides the techniques and principles upon which all soups and sauces are based.

3/14 Atlantic City, NJ
4/18 St. Louis, MO
4/19 Minneapolis, MN
5/19 Savannah, GA
5/22 Chicago, IL
6/13 Grand Rapids, MI

ST **Server Sales Training** is a low cost, effective way to grant proven sales techniques directly to the servers who will use them in your dining room. Two sessions each date, so both your lunch and dinner servers may attend.

1/27 Austin, TX
3/23 Washington, DC
3/24 Philadelphia, PA
4/7 San Francisco, CA
5/17 New York, NY
6/22 Boston, MA

FT **Tools for Training** will help you build a solid employee training program. The techniques presented in this seminar have been tested in the dynamics of the foodservice environment. The program focuses on the why's and how-to's of training.

3/7 Gatlinburg, TN
3/9 Philadelphia, PA
4/6 Portland, ME
4/8 Ocean City, MD
4/12 Tucson, AZ
5/22 Chicago, IL
6/21 Austin, TX
6/22 New Orleans, LA

ST **Wine Server Training** is a three hour program that wil equip servers with the essentials used to confidently and effectively sell wines to your guests. Attendees will learn about; the components of wine, varietal differences, and techniques and opportunitites to increase wine sales.

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2/11 Washington, DC
4/7 New York, NY
4/13 Denver, CO
5/5 Dallas, TX
6/21 Chicago, IL
6/22 Cincinnati, OH

For information & registration, call:

1-800-424-5156

The Educational Foundation of the National Restaurant Association

April-June 1988 • Seminar Schedule

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1 COVERS SALES Good Friday APRIL	2 COVERS SALES Passover
3 COVERS SALES Easter	4 COVERS SALES	5 COVERS SALES MRT-San Diego, CA	6 COVERS SALES MRT-San Diego, CA OPA-Portland, OR PFT-Lexington, KY TFT-Portland, ME	7 COVERS SALES OPA-Portland, OR PFT-Indianapolis, IN SST-San Francisco, CA WST-New York, NY	8 COVERS SALES TFT-Ocean City, MD	9 COVERS SALES
10 COVERS SALES	11 COVERS SALES KIM-New Orleans, LA	12 COVERS SALES BAR-Norfolk, VA DRM-Pittsburgh, PA KIM-Atlanta, GA TFT-Tucson, AZ	13 COVERS SALES BAR-Norfolk, VA DES-Columbus, OH OPC-Westchester, NY WST-Denver, CO	14 COVERS SALES DES-Columbus, OH INC-Wilmington, DE KIM-Honolulu, HI OPC-Westchester, NY	15 COVERS SALES	16 COVERS SALES
17 COVERS SALES	18 COVERS SALES KIM-Houston, TX SAS-St. Louis, MO	19 COVERS SALES KIM-Phoenix, AZ SAS-Minneapolis, MN	20 COVERS SALES BAQ-Tampa, FL DPR-Nassau, NY KIM-Boise, ID	21 COVERS SALES BAQ-Newark, NJ DPR-Providence, RI MEN-Bethesda, MD	22 COVERS SALES	23 COVERS SALES
24 COVERS SALES	25 COVERS SALES BUF-Riverside, CA	26 COVERS SALES BUF-Long Beach, CA DRM-Boston, MA HIR-Atlanta, GA	27 COVERS SALES DRM-Albany, NY HIR-Orlando, FL	28 COVERS SALES	29 COVERS SALES	30 COVERS SALES
1 COVERS SALES MAY	2 COVERS SALES DRM-Norfolk, VA	3 COVERS SALES DRM-Atlanta, GA MEN-Covington, KY OPC-Baltimore, MD	4 COVERS SALES KIM-Detroit, MI OPC-Baltimore, MD	5 COVERS SALES KIM-Pittsburgh, PA WST-Dallas, TX	6 COVERS SALES	7 COVERS SALES
8 COVERS SALES Mother's Day	9 COVERS SALES	10 COVERS SALES DRM-Wilmington, DE	11 COVERS SALES HIR-San Francisco, CA	12 COVERS SALES HIR-San Diego, CA	13 COVERS SALES	14 COVERS SALES
15 COVERS SALES	16 COVERS SALES	17 COVERS SALES SST-New York, NY	18 COVERS SALES	19 COVERS SALES INC-Hartford, CT SAS-Savannah, GA	20 COVERS SALES	21 COVERS SALES NRA Show, Chicago, IL BAR KIM NEG BUF MEN OPA DES MOT OPC DRM MRT RES
22 COVERS SALES NRA Show, Chicago, IL BAR DES MRT OPC FCM NEG RES HIR OPA SAS INC PFT TFT	23 COVERS SALES NRA Show, Chicago, IL	24 COVERS SALES NRA Show, Chicago, IL MOT-Omaha, NE	25 COVERS SALES NRA Show, Chicago, IL	26 COVERS SALES	27 COVERS SALES	28 COVERS SALES
29 COVERS SALES	30 COVERS SALES Memorial Day	31 COVERS SALES	1 COVERS SALES JUNE	2 COVERS SALES	3 COVERS SALES	4 COVERS SALES
5 COVERS SALES	6 COVERS SALES KIM-Boston, MA	7 COVERS SALES BAQ-Houston, TX KIM-Albany, NY	8 COVERS SALES BAQ-Dallas, TX DPR-Tysons Corner, VA	9 COVERS SALES DPR-Baltimore, MD	10 COVERS SALES	11 COVERS SALES
12 COVERS SALES	13 COVERS SALES KIM-Washington, DC SAS-Grand Rapids, MI	14 COVERS SALES Flag Day DPR-Pittsburgh, PA DRM-Los Angeles, CA	15 COVERS SALES DRM-Riverside, CA	16 COVERS SALES MEN-Columbia, SC	17 COVERS SALES	18 COVERS SALES
19 COVERS SALES Father's Day	20 COVERS SALES	21 COVERS SALES INC-Burlington, VT TFT-Austin, TX WST-Chicago, IL	22 COVERS SALES SST-Boston, MA TFT-New Orleans, LA WST-Cincinnati, OH	23 COVERS SALES	24 COVERS SALES	25 COVERS SALES
26 COVERS SALES	27 COVERS SALES	28 COVERS SALES BAR-San Francisco, CA DRM-Portland, OR	29 COVERS SALES BAR-San Francisco, CA DRM-Seattle, WA	30 COVERS SALES		

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 NO. 2 FEBRUARY 1988

RESTAURANTS USA

HITTING THE TARGET WITH DIRECT MAIL

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

2/23	San Francisco, CA
2/24	Anaheim, CA
3/7	Burlington, VT
3/9	Orlando, FL
3/15	Rochester, NY
4/12	Pittsburgh, PA
4/26	Boston, MA
4/27	Albany, NY

Increasing Sales: Effective Front-of-the-House Management

2/25	San Diego, CA
3/7	Washington, DC
4/14	Wilmington, DE

Kitchen Management

2/22	Wilmington, DE
3/7	Chicago, IL
3/8	Portland, ME
3/28	Tampa, FL
4/11	New Orleans, LA
4/12	Atlanta, GA
4/14	Honolulu, HI
4/18	Houston, TX
4/19	Phoenix, AZ
4/20	Boise, ID

Employee Motivation

2/22	Vancouver, B.C.
2/24	Saskatoon, Saskatchewan
2/26	Winnipeg, Manitoba
3/22	Boston, MA
3/23	Hartford, CT

Tools for Training

3/7	Gatlinburg, TN
3/9	Philadelphia, PA
4/6	Portland, ME
4/8	Ocean City, MD
4/12	Tucson, AZ

Food Production Courses

Perfecting Your Culinary Skills

3/28	Riverside, CA
3/29	San Diego, CA

Soups and Sauces

3/14	Atlantic City, NJ
4/18	St. Louis, MO
4/19	Minneapolis, MN

Foodservice Management Courses

Banquet Management

3/16	Berkshire, MA
3/18	Seattle, WA
3/23	Calgary, Alberta
3/25	Winnipeg, Manitoba
4/20	Tampa, FL
4/21	Newark, NJ

Beverage Management

2/24–25	Charlotte, NC
4/12–13	Norfolk, VA

Do-It-Yourself Public Relations

2/24	Portland, OR
2/25	Seattle, WA
4/20	Nassau, NY
4/21	Providence, RI

Food Cost Management

3/14	Los Angeles, CA

Hiring in a Tight Labor Market

4/26	Atlanta, GA
4/27	Orlando, FL

Menus That Sell!

3/8	Toronto, Ontario
4/21	Bethesda, MD

Off-Premises Catering

2/17–18	New York, NY
3/17–18	Denver, CO
3/22–23	Minneapolis, MN
4/13–14	Westchester, NY

Operational Analysis

3/9–10	Atlanta, GA
4/6–7	Portland, OR

Planning Successful Buffets

4/25	Riverside, CA
4/26	Long Beach, CA

Profitability

3/7	Shreveport, LA
3/9	New York, NY
4/6	Lexington, KY
4/7	Indianapolis, IN

Restaurant Design

3/24–25	Phoenix, AZ
4/13–14	Columbus, OH

Server Sales Training

3/23	Washington, DC
3/24	Philadelphia, PA
4/7	San Francisco, CA

Wine Server Training

4/7	New York, NY
4/13	Denver, CO

For information, contact:
Educational Foundation of the National Restaurant Association
311 First St., N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100.

If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the Washington, DC, office.

NATIONAL CONFERENCES

National Conference on Computers in Foodservice

3/8–11	Orlando, FL

Conference on Planning and Financing Restaurant Growth

3/27–29	Los Angeles, CA

EXECUTIVE STUDY GROUP SERIES

Financial Officers
4/6–8 New Orleans, LA

Foodservice Purchasing Managers
5/18–20 Chicago, IL

Internal Auditors
4/26–29 Charleston, SC

Large Independent Operators
3/18–20 Monterey, CA

Management Information Systems (MIS—formerly EDP)
4/12–17 Scottsdale, AZ

Marketing Executives
5/18–21 Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)
5/18–20 Chicago, IL

Quality Assurance
4/20–22 San Diego, CA

Tax Executives
4/6–8 New Orleans, LA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTS USA

VOL. 8 NO. 2 **FEBRUARY 1988**

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY

A number of exciting developments demand our attention as we move through the month of February.

Association moves to new headquarters

Next month the association will be moving its headquarters across town to our new building in the heart of downtown Washington, DC. The building, which the association purchased in December, has eight floors and 85,000 square feet. Association offices will occupy three floors, and we will lease out the remaining floors. We consider the new building to be a good investment and a tangible symbol of the foodservice industry's permanent presence in Washington.

After the move, our new Washington address will be 1200 Seventeenth Street, N.W., Washington, DC 20036.

Board seeks 100 percent tip credit

At its winter meeting, the association's Board of Directors voted to seek legislation which would grant foodservice operators 100 percent tip credit. (Currently, employers can take a 40 percent tip credit against the minimum wage.) The Board's reasoning is clear. Congress has just passed legislation requiring management to pay FICA tax on tips. In doing so, Congress, in effect, changed the definition of wages, at least in regard to taxes, to include tip income. If tips are regarded as wages, then they should count as wages when we calculate the payroll.

As one Director put it, "If we pay 100 percent of payroll taxes on tipped income, we ought to get 100 percent of the benefits."

At the direction of the Board, the association staff is seeking sponsors for legislation to amend the Fair Labor Standards Act to allow 100 percent tip credit.

Grassroots action needed to win political battles

Another major discussion was how to generate greater grassroots support on political issues. We face a heavy agenda of political battles in 1988 on issues that could affect the foodservice industry:

1. Minimum wage. Congressional supporters of minimum-wage increases would like to move on a bill quickly this year.

2. Parental leave. A revised House bill would require businesses to grant employees job-protected leave for the birth, adoption or illness of a child or the serious illness of a worker.

3. Minimum-health benefits. Both Houses are discussing bills requiring employers to furnish a health insurance package to employees who work more than 17½ hours a week.

4. Occupational risk notification. The House has already passed a bill that would require employers to pay for medical monitoring of employees in high-risk occupations. The Senate may move on a similar bill.

The extension of the FUTA surcharge and the imposition of an employer-paid FICA tax on tips have already escalated labor costs. With your help at the grassroots level, we will fend off new legislative attempts to interfere with foodservice operations.

Members register now for computer conference, March 8–11

Don't forget that the National Conference on Computers in Foodservice will take place March 8–11 at the Hyatt Orlando Hotel in Orlando, Florida. Extensive analysis of today's hottest foodservice computer applications will be the focus of the conference, and vendors will be there to demonstrate their hardware and software products. To register for the conference, contact the Educational Foundation of the National Restaurant Association at (800) 424-5156 or (202) 638-6100.

Wine festival takes place in Monterey from March 20–22

For the second year in a row, the association will be sponsoring California's oldest wine event, The Monterey Wine Festival, from March 20–22. This year's 2½ day event will serve both as a forum for wine experts to exchange information and as an educational opportunity for those operators who are just beginning to merchandise wine. The festival promises to be a grand event from beginning to end. For additional registration information, contact: National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601, (312) 853-2525.

Great Menu Contest entries through Feb. 29

There is still time to mail in your entry forms for the Great Menu Contest before the February 29 deadline. Dozens of menus have been arriving in our Washington office, so submit yours soon. Winning menus will be displayed at the National Restaurant Association Restaurant, Hotel-Motel Show in Chicago.

And speaking of the Show, it's not too early to mark the dates on your calendar for this year's big event. It will take place May 21–25. The educational programs, exhibits and entertainment this year will be the finest ever, so make plans to attend.

As the foodservice industry grows, your association continues to grow. We welcome the 115 new members who joined the National Restaurant Association in January. Your commitment to the association further strengthens our unified effort to represent the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

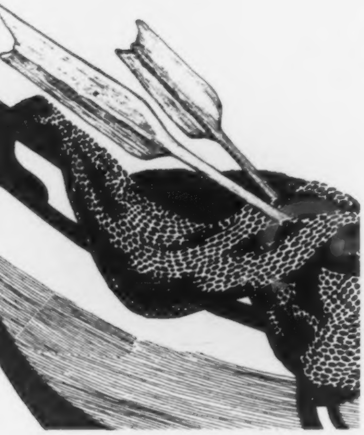
COVER STORY: HITTING THE TARGET WITH DIRECT MAIL

9 Communicating important information about your restaurant—a new menu, change of decor or promotional event—can sometimes be a hit-or-miss process. With direct mail, however, messages can be right on target. Well-aimed direct mail campaigns can help restaurateurs inexpensively and efficiently target markets and boost traffic counts.

13 Developing the right list
A key component of direct mail is the right mailing list. An effective mailing list can boost customer response rates dramatically.

16 Restaurateurs underutilize direct mail
This *Foodservice Trends Special* analyzes restaurant usage of direct mail and points out that only one-quarter of the restaurants queried in an association-sponsored Gallup survey used direct mail promotions in 1987.

SPECIALS



18 Selling the experience of being abroad
Americans are on a global eating binge, visiting ethnic restaurants in increasing numbers—not just to enjoy different foods, but also to sample the experience of being in a faraway place. This article analyzes the regional and demographic growth of ethnic restaurants across the United States.

20 The cuisine of Portugal
Portuguese cuisine, flavorful and robust, offers inventive harmonies of textures and ingredients. This overview of Portuguese food—plus recipes—may tempt you to add a touch of this "new" ethnic flavor to your menu.

21 Annual index
Looking for information? This annual pullout index of ***Restaurants USA*** articles featured during 1987 provides a handy reference.

30 Customized china
Blending art with function, restaurateurs are developing customized china to create personalized placesettings.

33 Improving self-service options
This *Leaders of Learning* special points out ways operators can make self-service options easier and more pleasant for customers. Pointers range from correcting problems in the type of food, equipment and utensils offered to improved supervision and signage.

Cover photograph by Gary Landsman

DEPARTMENTS

6 Short Orders
☐ Dietetic association announces fund for foodservice management research
☐ Nassau Community College wins 1987 Award for Excellence
☐ Illinois Restaurant Association sponsors "menu for murder"
☐ Burger King underwrites museum exhibit

7 Washington Report
☐ FICA increase now a reality
☐ Sulfite ban on some potatoes proposed
☐ Sponsor of labeling legislation praises industry's efforts to provide ingredient and nutritional information
☐ House committee says business-provided health care packages are not the answer

35 To Your Health
☐ Wellness programs—new direction for U.S. health care?

36 Board Room
☐ Food equipment manufacturers honor Grisanti
☐ Conti elected CIA chairman of the board
☐ Association directors meet with Mexican restaurant association
☐ President Ford addresses Board

37 Foodservice Trends
☐ Advertising update
☐ Competition report on convenience stores
☐ Spotlight on soup and sandwich orders

45 How's Business
☐ Operators discuss regional business trends

47 Food For Thought
☐ Shapely sandwiches
☐ A restaurant that serves none of its own food
☐ Microwave soup and sandwich combos
☐ A thank you to education

SHORTORDERS

Illinois Restaurant Association sponsors "menu for murder"

The Illinois Restaurant Association (IRA) has come up with a clever way to increase customer traffic for its member restaurants during the slow winter months. The IRA is co-sponsoring a monthlong dining-and-detecting contest with *Chicago* magazine, in which customers will try to solve a murder mystery called "Menu for Murder."

In its January issue, *Chicago* invited its 1.2 million readers to determine who is killing the great restaurant critics of Chicago by obtaining clues at 47 Chicago-area restaurants, all of which are members of the IRA. Seven clues essential to solving the mystery will be available to diners at participating restaurants during the contest. Customers will have to visit at least seven different restaurants at various times in the month to obtain every clue.

Besides increasing customer traffic, the restaurants participating in the contest will receive a 10 percent advertising discount in *Chicago* for the whole year. Restaurants must advertise in the magazine to participate. Most of the restaurants were already advertising in the magazine, whose readers dine out an average of 17 times each month.

Winners will be drawn from a pool of correct entries. The first prize is dinner for two each week for a year at 52 different restaurants. The second prize is dinner for two each month for a year at 12 different restaurants and the third

Dietetic association announces fund for foodservice management research

The American Dietetic Association Foundation has established the Allene G. Vaden Fund for Foodservice Management Research. The fund will support grants of at least $1,000 to qualified graduate or undergraduate faculty or to graduate students in dietetic or dietetic internship programs. Grants will be restricted to support research in foodservice management.

Vaden established the fund in April 1987 with a personal gift, intending to announce the first grant recipient at the American Dietetic Association's 1989 annual meeting in Kansas City. Despite Vaden's untimely death in August 1987, the foundation is continuing to seek support for the fund and plans to award the first grant as Vaden had envisioned.

Donations to the Allene G. Vaden Fund for Foodservice Management Research are being accepted by the American Dietetic Association Foundation. For further information about the fund and criteria for grant awards, contact Daniel Lambert, administrator, American Dietetic Association Foundation, 208 South LaSalle St., Suite 1100, Chicago, IL 60604-1003; (312) 899-4820.

Nassau Community College wins 1987 award for excellence

The National Restaurant Association has selected Nassau Community College in Garden City, New York, as the recipient of its 1987 Award for Excellence, which recognizes outstanding restaurant management programs at community colleges. Nassau was chosen from 34 state finalists.

The fourth annual award for excellence, co-sponsored by the American Vocational Association, is open only to community colleges with foodservice management programs. "The award program is designed to recognize excellence in post-secondary foodservice management education and encourage schools to improve their programs," says Philip Kralovec, National Restaurant Association program coordinator.

The winner is chosen by a four-judge panel, which includes a restaurant operator, a teacher from a four-year college, an industry expert and a representative from the American Vocational Association. The judges make their selections based on the following criteria: the quality of the faculty, the success of its graduates and placement of students into management positions, a well-balanced curriculum that allows for hands-on experience and the ability of the school to keep abreast of industry changes and demands.

Nassau will receive a silver trophy for its accomplishment, and the 34 state finalists will receive certificates. About 70 two-year schools applied for the award last year, more than doubling the number of applicants in 1986.

Applications for the 1988 Award for Excellence will be mailed to all eligible community colleges in March. The application deadline is July 15.

prize is dinner for 10 catered by Chess di Cuisine.

Chicago has been contacted by magazines in other cities about duplicating the contest.

Burger King underwrites museum exhibit

Burger King Corporation is underwriting a permanent exhibit at the Detroit African American Museum in honor of Brady Keys, Jr., president and chief executive officer of the Keys Group Company, which includes 11 Burger King franchises. The event celebrates Keys's 20th anniversary as America's first black franchisor in the fast food industry and his contributions to minority economic development.

Brady Keys, Jr.

The exhibit features a commemorative bronze bust, as well as trophies, photographs and other memorabilia highlighting the milestones of Keys's career from all-pro defensive halfback with the Pittsburgh Steelers, to his present position as president and CEO of one of the nation's largest black-owned businesses.

FICA increase now a reality

The Social Security tax increase that the industry fought down to the wire in 1987 became a reality last month. President Reagan signed the provision into law on December 22, 1987. Because all tips are now considered wages for payroll tax purposes, the association is preparing to push for an increase in the value of the tip credit when the minimum-wage debate heats up later this year.

The new FICA law went into effect January 1 and requires operators to pay the employer's share of FICA taxes on all reported tip income. Until 1988, employers paid FICA only on tips that were used to satisfy an employer's minimum-wage obligations.

IRS has said that it expects to distribute a revised Form 941 soon, which will include a space to report the additional FICA tax on tips. In the meantime, operators should include the additional FICA taxes in their payroll deposits.

The association fought to eliminate the provision when a $9 billion tax package began moving through Congress last year. If there had not been a stock market crash in October that forced Congress and the administration to hold a deficit reduction "summit," the provision might have been left out of the final budget package.

But administration officials were adamant that a FICA increase be included in the bill, and congressional tax writers by and large gave in to the administration's demands. However, Sen. John Chafee (R-RI) did offer an amendment during the Finance Committee debate to delete the provision, but his effort failed.

"It is apparent that pressure to reduce the federal deficit brought this proposal back from the dead," association President Michael Grisanti said. "It will escalate payroll costs significantly in many restaurants that were dealt a severe blow last year when Congress passed legislation reducing the deduction on business marketing meals."

The provision to increase FICA taxes on tips was not the only provision in the tax bill that affects restaurateurs. Other changes:

☐ Sellers of alcohol face increased taxes. Under the old law, retailers of alcoholic beverages paid a yearly $24 "occupational tax" if they sold beer and $54 annually if they sold distilled spirits. Under the new law, these two fees are now combined and have been increased to $250.

☐ FICA taxes now extend to the earnings of spouses and of children over 18 working in family businesses.

☐ The cost of employer-provided group term life insurance is now included in wages for FICA purposes to the extent the coverage exceeds $50,000 or if the coverage is provided on a discriminatory basis.

☐ The temporary 0.2 percent FUTA surtax is extended for another three years.

☐ Employers are denied use of TJTC for workers hired to replace employees on strike or involved in a lockout. This provision becomes retroactively effective for workers hired on or after January 1, 1987.

☐ Employers must pay higher annual premiums to the PBGC (Pension Benefit Guaranty Corporation), the deficit-plagued government agency that insures private pension plans. The budget bill increases the annual premium employers must pay from $8.50 to $16 for each worker.

Sulfite ban on some potatoes proposed

Reacting to more than 60 reports of severe adverse reactions to sulfite-treated potatoes, the Food and Drug Administration (FDA) has proposed a ban on the application of sulfites to fresh potatoes that are served unpackaged and unlabeled.

The FDA proposal, which comes nearly a year and a half after the agency banned the use of the anti-browning agent on fresh fruits and vegetables, does not extend to potato products whose package labels already specify sulfite content.

Immediately following the December 10 release of the proposed rule, National Restaurant Association Executive Vice President William P. Fisher filed comments with FDA Commissioner Frank Young to commend the long-awaited FDA action. He also complained that it does not go far enough. Because canned, dehydrated and, especially, frozen potatoes are likely to be served to customers in the same form as fresh potatoes, Fisher wrote, sulfite-sensitive restaurant patrons would not know when they were consuming sulfite-treated potatoes. "Creating artificial classes and special status for virtually identical products leaves all parties ill-served, most notably the consumer," Fisher wrote.

In order to advise customers about sulfite content in potatoes, FDA's proposal suggests that restaurant employees be familiar with the packaging labels. Fisher attacked this provision, noting that third-party transmission of label data can be unreliable. Moreover, Fisher said, "Fresh and frozen precut potatoes are often supplied in similar packaging, with only the outer carton labeled. As this outer carton is frequently discarded for easier storage and handling, any label warning would be easily lost and, thus, not be made available to consumers."

Public comment on the proposal is open until February. FDA will issue a final ruling when all comments have been considered.

Small business report knocks minimum health care

Requiring businesses to provide a minimum package of health insurance benefits to workers is not the answer to the U.S. health care crisis, says a report recently issued by the House Small Business Committee, which urged that alternative strategies be studied and implemented as soon as possible.

The report acknowledges that there is a crisis: 37 million Americans lack health insurance, and most of these are workers or dependents of workers. The 22 percent increase in these numbers since 1982 is partially accounted for by job growth in small firms and service companies—businesses that are least likely to offer health plans to workers.

Rep. John LaFalce

Responding to this trend, Sen. Edward Kennedy (D-MA) has introduced legislation requiring all businesses to offer full-time employees a health insurance package covering hospital and physician care, catastrophic care, diagnostic tests, well-baby care and more.

The committee report concludes that small businesses could never afford to provide this coverage. Calling health insurance costs for small businesses "exorbitantly high," committee chairman Rep. John LaFalce (D-NY) cites low profits, fixed administrative expenses, smaller pools of employees among which to spread risk, high health care costs and inequitable tax treatment for small businesses as factors which put Kennedy's proposal out of the reach of most small employers.

The committee recommends three alternatives to mandated health benefits:

☐ Allow the owners of unincorporated businesses to take a full tax deduction for health premiums, as proposed in a bill by LaFalce. Currently, the self-employed are limited to a 25 percent deduction even though incorporated business owners can fully deduct their premium costs.

☐ Make it easier for small businesses to pool together and reduce costs by spreading risk more broadly. Currently, state-mandated benefit laws and complicated federal regulations on pensions and employee benefits discourage these pooling arrangements, notes the report.

☐ Force employers and insurers to subsidize state risk pools for the medically uninsurable and those who do not have access to employer-based coverage. The report recommends that Congress require all employers with more than 20 employees to participate in state risk pools. The report claims small businesses would benefit by being able to enroll their high-risk employees in the state risk pool.

The committee's recommendations are based on a series of hearings held last spring to examine the problems small businesses encounter in providing health care benefits and to explore alternative options to mandated benefits for expanding coverage among the uninsured.

—Jay Morris
—Denise Roach

Fast food labeling now unlikely

Sen. John Chafee (R-RI), sponsor of legislation that would require ingredient labeling of packaged foods in certain fast food restaurants, has applauded the industry's voluntary efforts to provide customers with ingredient and nutrition information.

Chafee's remarks in a December 19 Senate floor statement seem to signal that his campaign to require labeling is waning and that there will be little or no pressure from Congress to move toward mandatory fast food ingredient disclosure.

According to Chafee, many of the large chains have developed programs to disseminate ingredient information through brochures that are made available to interested customers. Employee training and menu descriptions of ingredients are also being used to convey information, Chafee noted in his talk.

Chafee praised the association's involvement in encouraging its member operators to pay attention to their customers' diet and nutrition interests. The association, in conjunction with the American College of Allergists' Food Allergy Committee, published "Guidelines for Providing Facts to Foodservice Patrons," a booklet designed to help foodservice operators develop both ingredient and nutrition information programs.

DIRECT MAIL

Delivers your message

Direct mail is one of the most cost-effective methods of communication. It is action oriented; it requires a response. It is direct and immediate; either you get a response or you don't. It is measurable; you can track the results. And it is flexible; you control the timing, message and target audience.

Today's direct mail is much more than the conventional "junk mail" coupons that have been crowding mailboxes for years. Mailings can be newsletters, calendars, mini-menus, personalized birthday and holiday greetings, coupons, contest cards or informational brochures. They can be one color or four color. They can advertise special events or retail signature items. They can be elaborate fold-out brochures that are redeemable for a discounted meal. There are as many types of direct mail as there are restaurants. Direct mail's ability to establish an intimate one-to-one relationship between the advertiser and the recipient makes it a natural marketing tool for restaurants.

Although large corporations have made a science of direct mail, its scope is not limited to fast food restaurants and giant chains. Successful direct mail campaigns can be executed simply and inexpensively.

Although newspapers and local radio promotions may reach larger audiences, studies show that a single direct mail offering generates a higher percentage of returns for the advertising dollar invested. Direct mail is also the best-read advertising medium.

About 72 percent of the population likes receiving mail, and eight of 10 direct mail pieces are opened and at least scanned, according to the U.S. Postal Service.

Many restaurateurs have already discovered that direct mail works more effectively than other forms of advertising. Carl DeLeonibus, owner of Newtown Pizzarama, Newtown, Pennsylvania, has given up his newspaper ads and inserts to attract new customers. "I send out direct mailings four times a year with three different companies," says DeLeonibus, "and 40 percent of the coupons are redeemed with each mailing!"

Tom Klauber, food and beverage director of The Colony, a fine-dining establishment in Longboat, Florida, also believes in the effectiveness of direct mail. "We don't use print advertising at all; our message is just too jumbled with all the other ads," he explains. "Direct mail is our foremost public relations tool—it's a much more personalized touch."

One of the major benefits of direct mail is that it focuses on specific market areas. Promotions can be distributed by neighborhood, zip code, census tract or by a demographically appealing area. Another advantage is that, unlike other kinds of advertising, a single direct mail promotion can generate a steady stream of customers for several weeks—not just a day or two. Despite these advantages, direct mail remains relatively unexplored by operators.

Many different types of pieces

"It's nothing short of amazing how relatively few restaurants harness the full power of direct mail marketing to sell their services," says direct mail expert John Jay Daly, president of Daly Associates, Inc. in Washington, DC. "The skills, talents and techniques required to be a successful restaurateur—good food that is well-prepared and served in a warm and caring setting appropriate to the market—are little different than the essence of what's needed to conduct a successful direct mail program.

"Just as there are thousands of restaurants of widely varying types, so, too, there are many ways to create a direct mail piece. You can be as high class and 'toney' as you want or as homespun and plain," says Daly.

For example, you can send:

☐ a thank you letter or card to new customers

☐ a card or letter to mark a significant customer event, such as a birthday, promotion or anniversary

☐ a welcome letter to a new arrival in the area

☐ a newsletter about restaurant activities and/or patron news

☐ your menu

☐ a card or letter to mark a holiday, such as Christmas, or a significant local occasion

☐ a postcard, letter or invitation (two or three-dimensional) announcing a special offer or promotion and

☐ a letter to a patron who has not patronized you in a few months.

However, the catch-all message, "We are here; come visit us sometime," should be avoided in any medium but especially in direct mail.

Know your goal

Direct mail marketing begins with the question, "What response do I want?" To be effective, direct mail should be created for a specific purpose to elicit a specific response. It can be designed to encourage late-night dining, to build lunchtime traffic, to boost average check size on weeknights, to increase party size midweek or to accomplish any other restaurant goal.

Once you select a specific goal, everything else flows from there: the audience, the offer, the vehicle and the timing.

The list. The target list is perhaps the most critical component of a direct mail marketing program. Only names that are truly potential customers should be included. A reservation list is an excellent starting point for an in-house list or the names of individuals or companies that have expressed an interest in restaurant services (such as catering and banquet sales). Gary's in Washington, DC, compiles its mailing list from business cards and house accounts. When this upscale restaurant held its sixth anniversary last year, it sent out invitations to the list, announcing the weeklong festivities and the revamped menu and decor. According to co-owner Vito Zappala, "The direct mail campaign improved sales for the whole month, not just the anniversary week, and it reacquainted customers with the restaurant."

Mailing lists can also be purchased from a variety of sources, and they can allow you to explore new markets. Keep in mind that consumer research repeatedly confirms that 80 percent of restaurant customers come from within a 7-mile radius of the restaurant. You may want to group your lists by zip codes, demographic characteristics, business districts or similar categories. You can get neighborhood statistics from the U.S. Bureau of the Census or its regional offices.

Whether you have your own computer or you use an outside computer service to maintain your mailing list, you will find that the computer is the most efficient and cost-effective way to mold a mailing list to your needs.

Whenever possible, develop direct mail pieces that allow you to add to or refine your list. Coupons and discounts which must be returned for redemption can provide valuable information if the original mailing label appears on the piece.

The offer or message. The direct mail message should call attention to your operation and encourage customer trial. It should be tailored to

Direct mail is the best-read advertising medium. Eight out of 10 direct mail pieces are opened and at least scanned, according to the U.S. Postal Service.

"It's nothing short of amazing how relatively few restaurants harness the full power of direct mail marketing to sell their services."

appeal to whatever it is that makes each target audience different or distinctive by highlighting certain benefits or acknowledging certain interests. This tells your audience that you've got them in mind, and it tends to make them more receptive to the offer.

One of the most powerful attributes of direct mail can be its personalized aspect or at least the *appearance* of personalization, which is very easy to achieve with today's computers. Personalization is more than a customized label and salutation, however. It is also a personal style of communication that refers to the restaurant as "we" and the patron as "you." For example, in one successful direct mail campaign, The Colony restaurant sent a list of new selections to its VIP mailing list. The small menu contained an insert card with this unambiguous offer from the food and beverage director: "This is your personal invitation to join us for dinner. Present this card to your captain for a complimentary half bottle of our own Colony Chardonnay. One half bottle will be presented to each couple in your party."

Tom Klauber, food and beverage director, was pleased with the results. "Of the 2,000 mailouts, we had between 800 and 900 responses," he says.

"A good direct mail piece prompts the reader to act," says American Express' marketing division in New York City. "By including a value-added offer, such as a coupon the customer must redeem, you encourage the reader/customer to respond in a measurable way." Frederick Goss, executive director of the Newsletter Association in Arlington, Virginia, couldn't agree more. "Ask for the action," he says. "The surprising dynamic of direct mail is that people don't do anything more than they are told. They will not draw conclusions or infer anything. Tell them how they can take advantage of the offer step by step." It is also a good idea to set an expiration date and give recipients your address and telephone number.

The vehicle or format. Your direct mail message can take almost any size and shape. From postcards to buttons to letters to formal invitations, your direct mail piece must overcome "junk mail" status and convince recipients that they have received something of perceived value. It must appeal to the person who receives it, meeting his or her needs, wants and expectations. To phrase it another way, the direct mail piece must achieve four goals. It must 1) call attention to the message, 2) create interest, 3) build desire for trial and 4) produce action.

One of the most familiar formats is the newsletter. Monique's, a casual, upscale French cafe in Chicago (80 seats), publishes a newsletter every three months and sends it to a mailing list of 2,200. "It is part of my education program. So many clients ask questions about ingredients, recipes, etc., and this is a way of keeping in touch," says owner Monique Que Hooker.

The newsletter is also a public relations and promotional tool, including information about special events at the restaurant. Monique's fall newsletter, for example, included an invitation to a tree-trimming and wine-tasting party, ideas for using signature items for Christmas, a calendar of events, a glossary of culinary terms, a spotlight on coriander and cilantro (with recipes) and a personal note from Monique on "What Christmas means to me." "I want people to know that 'Monique' is not just a name, but a real person," explains Hooker. The newsletter takes three or four days to put together in-house, and it is mailed within two weeks. "It really pays," says Hooker. "We've gotten a lot of positive response."

Timing and frequency. There are generally established patterns of response to direct mail. "December 26, July 3 and Labor Day are usually good times for most types of direct mail offers," says Goss. Other experts merely caution against sending materials during heavy mailing seasons, such as Christmas or vacation months. Your own seasonal patterns will best dictate direct mail timing—you will want to target customers during your slow seasons.

Frequency is mostly a matter of staying on top of results. You should mail as often as you get a sufficient response to justify costs.

The Tenth St. Market in Cleveland, for example, mails one direct mail piece each month to its 2,000 customer mailing list. It is the only form of advertising for the specialty food store and adjacent 40-seat cafe, and it has been very successful. The mailings are usually tied to a holiday, such as Valentine's Day, Easter, Mother's Day, Memorial Day, Thanksgiving and Christmas, or to a season, such as a picnic flier in summer.

"We do a takeout menu biannually, seven extensive menus and six to seven notecards focusing on one or two menus for the holidays," says General Manager Kim Haller, who says the company does its own pieces because they approach them with "passion."

At The Colony, Tom Klauber sends out mailings anytime the restaurant has something new or different to announce. "We send out direct mail all the time," says Klauber. "Any time we do anything new or have a brainstorm, we send out a mailing to let our customers know." He believes his customers appreciate the frequency. "People like to hear what we're doing and what's new."

Direct mail may take time to produce results, however. "You have to do it for a while, and it has to be well done for it to work," Haller advises. "Direct mail pieces have to measure up to customer expectations, and they have to measure up to the quality of the food."

20 tips for successful direct mail

1. Be sure your direct mail piece has a specific purpose.

2. Personalize your direct mail. Do not address an envelope to "Occupant." Personalization not only stimulates interest in your message, but also increases response an average of 30 percent.

3. Remember your 4 goals: Your promotion must draw attention, create interest, evoke desire and call for action.

4. Do what is necessary to make your mail stand out, even "look peculiar," because it has to fight all types of competition.

5. Make your direct mail piece consistent with your restaurant's image.

6. Highlight the unique/special nature of your operation.

7. Time it right: Consider when your direct mail piece will be mailed and when it will be received. The highest percentage of response tends to occur in January, the lowest in June.

8. The chances of attracting potential customers with direct mail increase when your promotion arrives in an eye-catching envelope.

9. Studies show 75 percent of your response will occur during the three weeks after your first response. Allow another three weeks for stragglers. After that, you can close the books.

10. "Buy one, get one free" consistently outpulls all other comparable offers.

11. Use your house file. Your patrons have all bought before and will probably buy again.

12. Don't bypass the offer. Ask for a specific action. Specifics work better than generalities.

13. Keep your message simple. Don't mix your message. Focus the theme of your message to get one point across to your potential customers.

14. Repeat mailings are imperative. A common error is failure to mail often.

15. Test various offers and copy formats so you can find what is working to build business. Keep detailed records of everything you do so you know what happened, when and why. That way you can repeat successes and avoid failures.

16. Prepare your staff to receive the maximum number of responses possible.

17. Don't try to trick your customers with "the small print." Be sure the promotion offer is clear. Honor expired promotions whenever possible.

18. Always include your address and telephone number.

19. Keep your mailing list up-to-date.

20. Tell your staff how well the promotion worked.

Track your results

In order to determine whether your direct mail piece reached the right audience with the right offer in the right way at the right time, you must track your responses and measure your results.

Tracking is just what it says—keeping track of the coupons, discounts, calls or whatever response mechanisms you used—determining how many there are and where they came from. The more response data you can gather, the better chance you will have of building stronger promotional programs.

With your specific goal in mind, the type of information you want to gather should be fairly easy to perceive. For example, if your promotional goal is to increase late-night dining, your records should show how many people were in the party and if others in the party took advantage of the promotion or ordered from the regular menu.

Without coupons, tracking can become more difficult, but it is still possible. Your service staff, for example, can ask the necessary questions, but be sure the questions can be asked briefly and the answers are easy to record because during promotional periods your operation is likely to be much busier than usual. Ask your service staff for suggestions before you set up a recording system.

To encourage staff participation, consider including an employee incentive program with each direct mail promotion.

In situations where waitstaff participation is not possible, direct mail tracking can be done through written surveys presented to customers after they have ordered, but before they have received their meals. To do this, servers must know that the customer is responding to a direct mail promotion. Therefore, be sure to indicate on the direct mail piece that any coupon or offer should be presented to the waiter when ordering.

As a side note, the manner in which the server presents the survey can increase or decrease response. A cordial presentation is sure to elicit a higher response than simply placing the survey on the table without an explanation. For example, the server could say: "Thank you for joining us tonight. We are glad you are able to take advantage of our special offer. While we are preparing your meal, would you please take a minute to fill out this informal card? We'd like to find out more about you, so we can better serve you."

When a direct mail promotion is completed, let your employees know the outcome. It will encourage participation the next time you plan a direct mail promotion.

Measuring your results

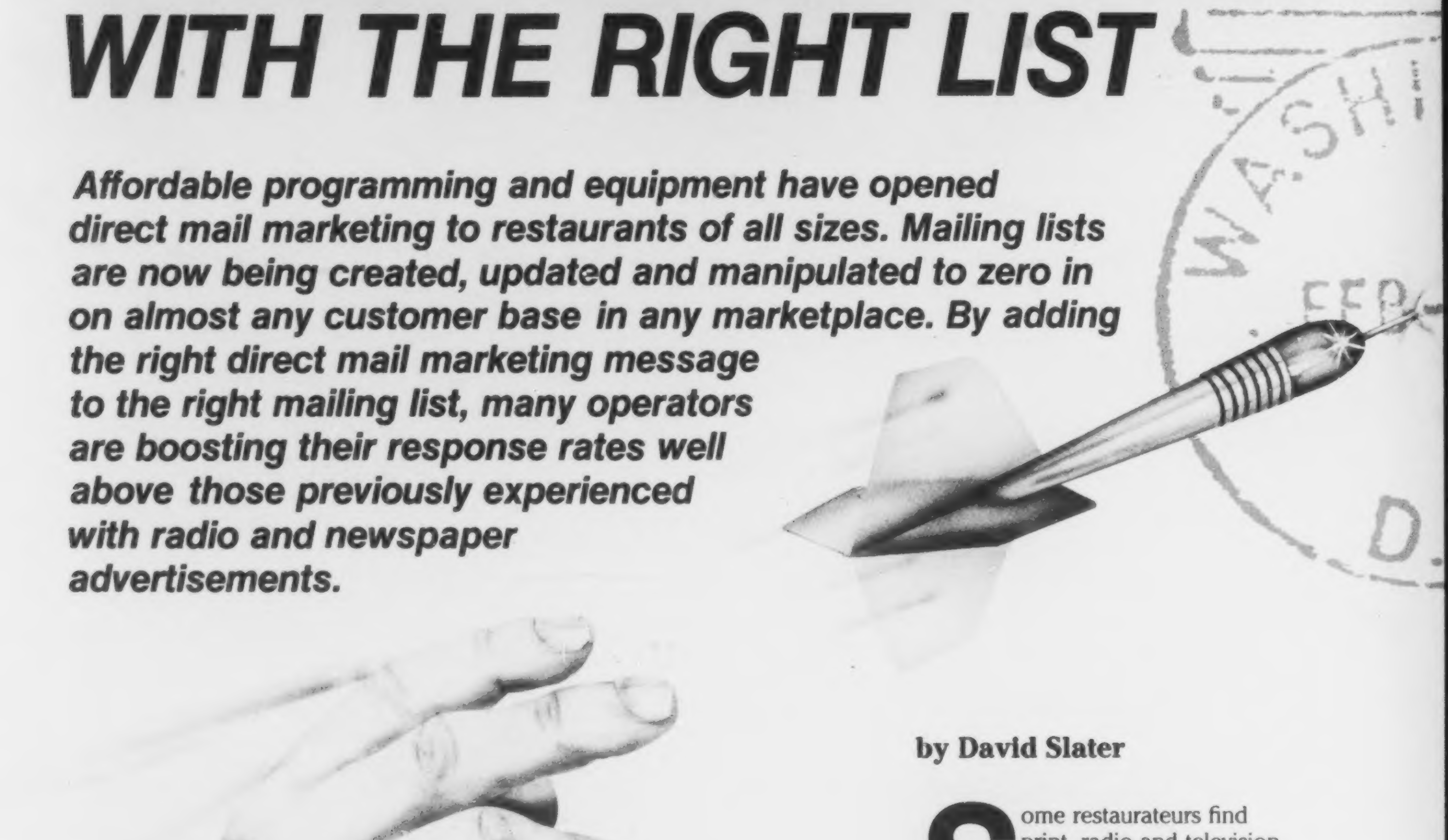
Of course, you will need some way to judge the success of your direct mail campaign, and this will depend on what you are looking for. For example, are you looking for a certain number (quantity) or for a certain kind (quality) of response? Are you interested in the total responses or responses from a certain segment? Only you can answer these questions. "Once you find a direct mail message that works, use it again," says David Clayton, vice president of sales and marketing for TriMark, one of the nation's largest co-operative direct mail publishers. "Repeat your winners."

In sum

To run a successful restaurant not only do you need a steady supply of satisfied customers, but you also need new ones to replace those who no longer come by, for whatever reason. A soundly executed direct mail marketing program can help you achieve those goals. Well done, it can tell present customers you're still around and that you appreciate their business. It can remind sporadic ones that you'd like their patronage more often. And it can inform prospective customers what you have to offer. ❑

HITTING THE BULL'S-EYE WITH THE RIGHT LIST

Affordable programming and equipment have opened direct mail marketing to restaurants of all sizes. Mailing lists are now being created, updated and manipulated to zero in on almost any customer base in any marketplace. By adding the right direct mail marketing message to the right mailing list, many operators are boosting their response rates well above those previously experienced with radio and newspaper advertisements.



Suzani

by David Slater

Some restaurateurs find print, radio and television advertising to be like throwing darts at a target from a distance—only a few hit the bull's-eye. Direct mail, an often overlooked marketing tool, is a more exact form of advertising that allows the advertiser to control the message, the timing and, most importantly, the audience. With direct mail, it is possible to hit the bull's-eye every time if you have the right mailing list.

According to marketing expert Bob Stone, author of *Successful Direct Marketing Methods*, a mailing list is a collection of names and addresses of individuals and/or companies that have in common a specific interest, characteristic or activity. It is this commonality that determines whether the individuals on the list would be

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David Slater is a communications specialist at the National Restaurant Association.

likely prospects for a promotion or other marketing effort. In fact, many marketing pros believe that the right or wrong list can make or break a direct mail campaign.

In the past, generating a mailing list was a time-consuming process. But computers have changed all that. Due to the advancement of computer technologies, mailers can now be highly selective in targeting a potential market. And the end result, says Chuck Orlowski, vice president of marketing at AZ Lists, Inc. in Greenwich, Connecticut, "is greater efficiency, better response rates, better customer performance and the ability to mail more with greater cost efficiency."

There are many sources for mailing lists. Lists can be generated internally from a roster of regular customers, purchased or rented from commercial vendors or compiled in-house from local chambers of commerce, associations and the phone book.

At the Colebrookdale Inn in Boyertown, Pennsylvania, for example, owner Liza Kinzinger doubled her lunch trade with a "Quick Lunch" flier mailed to 200 local businesses last May. She compiled the mailing list herself from the Yellow Pages.

Jardine's, a country farm restaurant in Sarver, Pennsylvania, attracts bus tours, senior citizen groups and picnic business with brochures mailed to lists obtained from art groups, senior citizen centers, the chambers of commerce and phone books.

And to spread their name throughout the Washington, DC, area, Armand's Pizzeria (7 units) sends audience-participation mailers through a constantly changing variety of homemade and rented lists, including fliers to new area arrivals, who, according to operations manager Dennis Coughlin, "haven't yet set their buying patterns."

In-house lists

There is often a correlation between the source of the mailing list and the intimacy of the direct mail message. Internally generated lists, for example, are an excellent vehicle for personalized announcements and newsletters. Not surprisingly, these in-house lists produce the best response rate and are most often used by independent restaurants and those that are more interested in establishing a personal relationship with current customers.

Compiling in-house lists, however, can be a time-consuming process, although availability of computerization has made mailing list maintenance simpler for operators of all sizes. At Atlanta-based Liberty House Restaurant Corporation (3 units), a full-time employee is required at each of the company's two upscale restaurants, Bone's and Trotters, to maintain the mailing list for each restaurant's popular newsletter. In fact, to add names to the mailing list, these employees use a reverse city directory to track down the addresses of customers who make reservations.

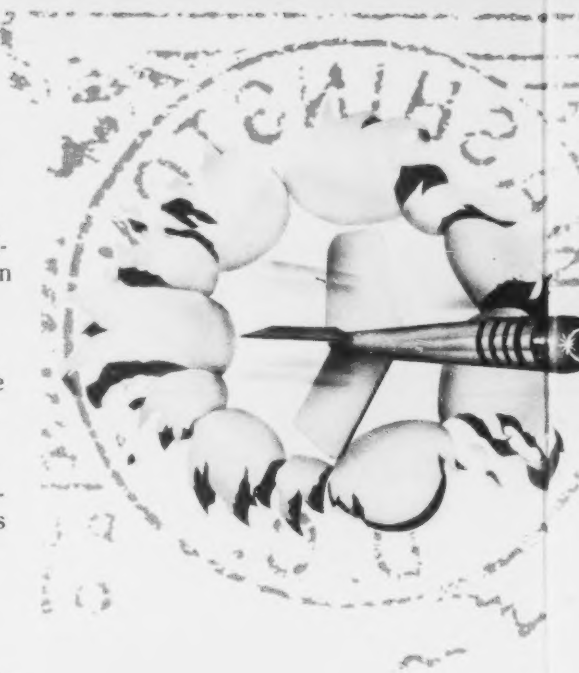
According to marketing director Nancy Oswald, once the names are in the computerized data bank, "a lot of time and people resources are invested in keeping the list up-to-date." Names on the list are called on a regular basis, and those who haven't been coming in have their names deleted. In addition, the company gets a high amount of change-of-address requests. There are currently 4,500 names on the Bone's mailing list and 3,800 on the list for Trotters.

Oswald has learned firsthand that the benefits of Liberty House's homemade list offset the continued effort expended in list compilation and maintenance. "We could buy a mailing list, but that's not what we're all about," she says. "We want to establish and re-establish ties with existing customers."

At Universal Restaurants in Grand Rapids, Michigan, the largest franchisee of Mr. Steak, the mailing list totals 200,000 names for the cnain's 20 units.

Compiling the mailing lists "has been a complicated program," says director of marketing Caroline Cook, "but we feel the benefits will far outweigh the effort and cost. Once you have the data base of names, it's not that expensive to get the pieces out." In fact, Cook estimates that with twice-yearly mailings, the cost of the program for each store will be only $11 per week.

"We don't have gigantic advertising budgets, so we really have to target our market," says Cook. "Direct mail is the best way to do that."



Purchased lists

Purchased lists, on the other hand, are often used by chains or limited menu restaurants whose goal is to attract new customers with discount coupons. Commercial list brokers sell or rent lists that correspond to almost any demographic or geographic group. Lists can be obtained about individuals who have recently moved to a particular neighborhood, members of clubs and trade associations, owners of high-priced automobiles and individuals in particular professions.

Businesses use these specialized lists to lure individuals who might be good candidates for a certain promotion. For example, at The Manor in West Orange, New Jersey, public relations director Mary Jane Frankel is planning to mail information on The Manor's game festival to members of local hunting clubs. To reach potential customers who may think of The Manor only as a well-known catering facility, not a fine a la carte restaurant, Frankel will use a purchased list of upscale local residents. Through these specialized mailing lists, says Frankel, "we can reach an upscale clientele that might not think of The Manor as a restaurant."

Before selecting a list

Operators should do their homework before buying or renting commercial mailing lists. The prices for such lists vary, but usually reflect the list's quality—the regularity with which it is updated, the nature of the names and

Direct mail newsletters can establish a "club" feeling

In general, the best direct mail programs are those that succeed in drawing the customer into the promotion. For example, Atlanta-based Liberty House Restaurant Corporation (3 units) uses customer-oriented newsletters to establish a "family" feeling among the regular customers at their two upscale restaurants: Bone's, a "cigar and leather" steakhouse, and Trotters, a "clubby" American restaurant. According to Nancy Oswald, director of marketing, "we're not really trying to win new customers with our direct mail— We're trying to deepen and re-establish ties with existing customers. That's why we'd rather see our promotional dollar spent on personal things, such as a newsletter or Christmas and birthday cards."

The Liberty House newsletters are successful because they are as much about the customers as they are about the restaurants. For example, the regulars at Bone's receive a newsletter that reflects their sophisticated interests. Produced six times each year, the Bone's newsletter opens with "Beef Tips," a column that talks about promotions and job changes among "award-winning Bone's friends." Also included are many photos of smiling customers (taken in the restaurant) and a column listing customer birthdays for the period covered by the newsletter.

The newsletter includes a "Meet the staff" profile, which is popular, says Oswald, "because the customers are always curious about the people who serve them in the restaurant," and "Bone's Appetit," which each month profiles the sights and cuisine of a different city or region, such as Paris, San Francisco, Brussels or Burgundy.

The Trotter's newsletter, mailed once each season, varies from the Bone's newsletter in appearance and content because many of the customers receive both pieces. Nonetheless, it serves to make regular customers feel like part of a select group. This is accomplished through lots of cleverly captioned photos and through personalized columns written by restaurant staff members. These columns, such as chef Richard's "Come on, you can cook this one" or bartender Gary's "cocktail conversations or trivial concerns," draw the customers into personal relationships with the authors.

The Trotters newsletter also includes "Eye on you, Peachtree," a less professional gossip column than the Bone's newsletter's "Beef Tips." A typical column might include information on a customer's recent summer cruise, a customer's move to another city and an Atlanta Symphony Orchestra fashion show. "Globe-'Trot'-ting," which highlights seasonal events all around the world, also is a reader favorite.

Customers hate to miss a copy of the newsletters, says Oswald, because they might miss their own photograph or the latest news about one of their fellow "club members." According to Oswald, there is a discernible increase in reservations the days immediately following each newsletter's arrival. The effectiveness of the newsletter was also felt in the winter of 1987, when a mail-order form for holiday retail items was inserted in the Bone's newsletter. More than $15,000 in orders was received, almost entirely in December.

the manner in which it was compiled. Before selecting a list, an operator should seek visual assurance that the list being purchased has been regularly updated. A list that is not up-to-date is of questionable value because lists age rapidly. "Chances are that if you mail to a list of names older than a year and it has not been cleaned and updated, you'll find a large percentage of bad addresses," notes Orlowski.

Co-op mailers

A direct mail option, used by nearly one-fifth of the restaurants who use direct mail, is co-op or value-pack mailings. Through companies such as Advo or Val-Pak, businesses share postage by advertising in a group mailing delivered to homes.

Because almost all the co-op advertisers offer discount coupons, the primary appeal of group mailings is not to upscale restaurants. The advantage of advertising through these companies is that the operator only needs to make a phone call, and the co-op company will do the rest— from design, layout and typesetting to actually mailing the piece. Operators often can mail in increments of 10,000 or more, usually determined by zip code or geographic area surrounding the restaurant, with a cost as low as 4 cents per home.

According to Hank Poth, general manager of Val-Pak of St. Louis, the best way to measure the return from a co-op mailing is to keep an accounting of sales for the month and to track the coupons that come into the store. Because neighborhoods are so thoroughly blanketed, he adds, a 2 or 3 percent return on 10,000 can be quite substantial.

There's no such thing, however, as a "normal" percentage of return that's *universally* applicable across a wide range of products and services. By keeping careful records over a period of time, however, you can determine what some norms are for your offers. Then, you can set a goal of "beating your best" promotion.

Send it more than once

If all the elements of your direct mail program prove to be sound, it is imperative that repeat mailings be made to your list. "It's difficult to wear out a good list, and, unless mailings are overdone, you can't wear out your welcome," advises John Jay Daly, president of Daly Association in Washington, DC. "Let statistical probabilities and the laws of economics work in your favor rather than allow diffidence about making frequent mailings deter you. A common error is not to mail often enough or to a wider list." ❑

Foodservice Trends Special

RESTAURATEURS UNDERUTILIZE DIRECT MAIL

Direct mail is an underutilized form of advertising among restaurant operators. Although other industries have successfully used direct mail for years, sending everything from product catalogs, magazine subscriptions, invitations and cents-off coupons for newly introduced household products, restaurateurs have yet to use this advertising medium to its fullest potential.

by Laurence Greenberg

Although direct mail advertising offers several advantages over more conventional forms of promotion, only one-quarter of the restaurants queried in a special Gallup survey commissioned by the National Restaurant Association said they used direct mail to promote their establishments in 1987. One-third as many restaurateurs used direct mail as advertised in newspapers, less than one-half as many used direct mail as sponsored community events and just slightly more than one-half as many used direct mail as distributed handouts or fliers. (See article in *Foodservice Trends* for details on other forms of advertising.)

Which restaurants use direct mail?

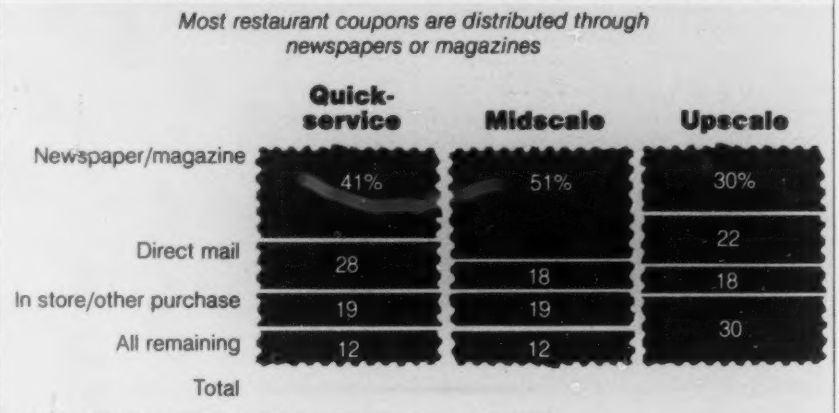
According to the Gallup survey, the restaurants most likely to use direct mail are chains or franchised independents, fast food operations and establishments with high daily customer counts. In fact, nearly half of the chain/franchised independent restaurants polled used direct mail, 19 percent of them on a regular basis. And 31 percent of the restaurants describing themselves as fast feeders employed direct mail techniques, 13 percent on a regular basis.

In contrast, the least likely users of direct mail are independents, non-fast food restaurants and operations with low daily customer counts. Only 18 percent of independents used direct mail, and just 5 percent did so on a regular basis.

Coupons most popular form of direct mail

Because direct mail advertising is possible in a variety of forms, operators have a variety of options to choose from. But by far, the most popular form of direct mail in current use is the mailing of coupons or discounts. Coupons and discounts have become important means of increasing customer traffic, especially in periods of slower economic growth. According to CREST data, in an average two-week period between December and May 1987, 28 percent of the coupons redeemed at quickservice restaurants by consumers were received through direct mail. Direct mail was the vehicle for distributing 18 percent of all coupons redeemed at midscale restaurants and 22 percent of all coupons at upscale establishments.

How restaurant coupons are distributed*



*Percent of total coupons redeemed by consumers, by source

Source: CREST, December 1986 through May 1987, average two-week household data

Almost two-thirds of the direct mail users polled in the association Gallup survey distributed coupons or discounts. This percentage is markedly higher at chain restaurants and fast food places. For example, among direct mail users, 84 percent of the fast food places surveyed offered coupons through direct mail, compared to 53 percent of the non-fast food feeders. Coupon usage was just as high at chain restaurants; 85 percent made use of this direct mail method. In contrast, only slightly more than half of the independent establishments polled mailed coupons.

According to the survey, the next three most popular forms of direct mail were value packs (a collection of coupons from different sources), mini-menus and calendars of events or specials. These three types of direct mail lag far behind coupons in popularity; value packs, for example, were used by only 20 percent of all the direct mail users polled. Value packs, also called co-ops, are used mostly by the same types of restaurants that direct mail their own coupons: chains, limited menu establish-

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Laurence Greenberg is a research specialist at the National Restaurant Association.

Users of direct mail*

Chains and franchised independents are the heaviest users of direct mail

		Ownership		Restaurant type		Average daily customer count		
	Total	**Chains/ franchised independents**	**Inde- pendents**	**Fast food**	**Non- fast food**	**Under 200**	**200– 399**	**400 or more**
Users	24%	46%	18%	31%	21%	17%	32%	29%
• Regularly	8	19	5	13	6	5	11	9
• Occasionally	16	27	13	18	15	11	20	20
Non-users	75	53	80	69	77	82	68	70

**The percentages of regular and occasional users may not add to total users due to rounding.*
Source: National Restaurant Association Gallup survey, 1987

ments and eateries with high daily customer counts. While 33 percent of the chain restaurants mailed co-ops, only 11 percent of the independent operations utilized this form of advertising.

In contrast, mini-menus and calendars are more the domain of full-service, non-fast food establishments. Twenty percent of the fullservice restaurants that employed direct mail advertising did so in the form of mini-menus, compared to 5 percent of the limited menu operations. Independent restaurants also made use of mini-menus: 21 percent distributed miniaturized sample menus through direct mail, compared to only 6 percent of the chains.

Fullservice and independent restaurants also tend to send letters, invitations and newsletters more often than do limited menu or chain operations. Giveaways, however, have a following in both the fast food and non-fast food segments.

Direct mail use by restaurant segment

There is a correlation between the meal cost at individual restaurants and the direct mail approach employed by them.

Restaurants with an average evening meal check size of under $5 were more likely to use coupons than those establishments with average check sizes of $8 or more, by a margin of 81 to 51 percent. The higher check restaurants, in turn, were more likely to direct mail mini-menus, calendars, letters and invitations than their less expensive counterparts. This pattern is also observable in the direct mail approaches taken by different types of non-fast food operations. While half of the steakhouses and 65 percent of the family-style restaurants polled distributed coupons, less than 40 percent of the fine-dining establishments did so. In contrast, fine-dining places were much more likely than family-style restaurants to mail letters, invitations or newsletters. In part, these differences reflect the specific markets and objectives of quick-service, midscale and upscale establishments.

Trying direct mail

Relatively few restaurants use direct mail and fewer still use it to communicate without a coupon or discount. Once more independent restaurateurs have investigated direct mail, they may find that it is a cost-effective means of communicating their message. ❑

Leading forms of direct mail

Coupons or discounts are the most popular form of direct mail

Format of direct mail	**Percent of managers using specific types of direct mail***
Coupon or discount	64%
Co-op or value pack	20
Mini-menu	15
Calendar of events or specials	14
Giveaway	11
Letter	9
Invitation	9
Newsletter	7
Postcard	1
Other	5

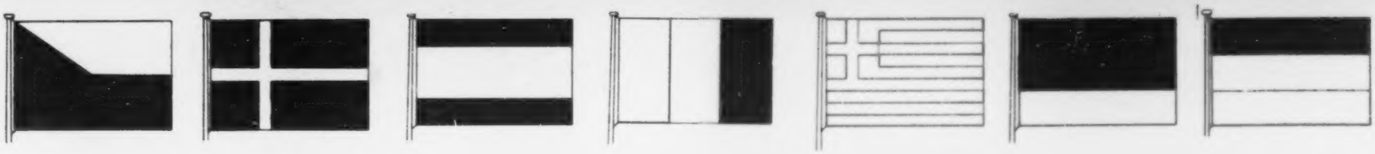
**Of managers who use direct mail advertising*
Source: National Restaurant Association Gallup survey, 1987

Format of direct mail used, by evening meal check size*

Although popular with all restaurant types, coupons are used less frequently at higher check establishments

Under $5.00		**$5.00 – $7.99**		**$8.00 or more**	
Coupon	81%	Coupon	67%	Coupon	51%
Co-op	22	Co-op	30	Calendar	24
Calendar	9	Giveaway	18	Mini-menu	22
Mini-menu	6	Mini-menu	15	Letter	16
Giveaway	3	Invitation	9	Invitation	16
Letter	3	Calendar	6	Newsletter	13
Invitation	3	Letter	6	Co-op	11
Postcard	3	Newsletter	3	Giveaway	7
Total	**23%**	**Total**	**22%**	**Total**	**32%**

**Of those polled who use direct mail, percent of respondents utilizing these specific forms of direct mail*
Source: National Restaurant Association Gallup survey, 1987



SELLING THE EXPERIENCE

OF BEING IN ANOTHER COUNTRY

by Wilbur Zelinsky

The diners at ethnic restaurants don't go just for the food. They also hunger for an exotic dining experience. Ethnic restaurants offer an effortless journey to a distant land where the waiter recites a menu of alien delights in charmingly accented English. The patrons of ethnic restaurants are gastronomic tourists.

Ethnic restaurants have become one of the hottest segments of the foodservice industry over the last decade, and recent changes in immigration patterns can only partially explain the sudden, rapid rise in their diversity and popularity. It's a global trend—ethnic foods are hot in Europe, Japan, Canada and other countries.

Overall restaurant traffic in the United States increased 10 percent between 1982 and 1986, according to the National Restaurant Association/CREST panel survey. But business increased 26 percent for Italian restaurants during those years, 43 percent for Mexican restaurants and 54 percent for Asian restaurants. Clearly, Americans are on a global eating binge.

But the implications of the trend go far beyond restaurants. A preliminary investigation of the number, type and distribution of ethnic restaurants in American cities shows that they are leading indicators of an internationalized urban culture.

As Americans have become increasingly educated and well-traveled in the past few decades, more are pursuing a variety of experiences—reaching out to other times and other places and savoring the exotic thrills of unfamiliar cultures. Ethnic restaurants are a major component of this new lifestyle. Restaurants that cater to it use their divergence from American culture as a marketing tool. More than just places that serve "ethnic" food, they offer patrons vicarious joys, vacations to faraway places without airports or baggage. They are selling the experience of being in another country.

It takes more than ethnic food, then, to make an ethnic restaurant. A Mexican cafe in an all-Mexican section of San Antonio does not qualify, unless it attracts Anglo diners. But a Mexican restaurant in Maine would qualify automatically, as would a Chinese restaurant in a Jewish suburb of Chicago. Likewise, a coffee shop in Macon, Georgia, that serves grits and sliced tomatoes with its eggs isn't ethnic to that city's residents. But if an upscale diner in the Northeast called itself "The Macon Diner" and served eggs that way, it would be celebrating America's regional differences.

Hello central, give me ethnic

In a study of ethnic restaurant cuisines, we analyzed restaurant listings in the 1979 and 1980 Yellow Pages of the 271 largest metropolitan areas in the United States and Canada. We also scanned Philadelphia directories at 10-year intervals between 1920 and 1980 to trace the growth of ethnic restaurants' popularity and analyzed

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all directories for Pennsylvania to see how the trend extended into smaller towns and rural areas.

According to our subjective definition, a self-consciously ethnic restaurant will show its colors in one of three places: in its name, in its inclusion under an ethnic heading in a special section of the telephone directory or in a display ad listing the specialties of the house. The appearance of such "naturalized" items as spaghetti, onion soup, chop suey, tempura or tamales on an otherwise American menu did not necessarily confer ethnic status on a restaurant. Similarly, pizzerias were not judged ethnic unless they included a full menu of Italian items.

We assigned each restaurant to the appropriate national or regional category within seven larger categories. In order of importance, these were European, East Asian, Latin American, North American, South Asian, Middle Eastern and miscellaneous.

Surprisingly, a large proportion of places advertise two or more different cuisines, often in addition to an American menu. French and Italian, Spanish and Mexican, and Greek and Middle Eastern are among the more popular combinations, but some are positively mind-boggling, such as the Chicago cafe that characterizes itself as "Kosher & Soul" or this one from Cincinnati: "The Italian restaurant with the Spanish name hosted by the Jewish couple with the Greek partner featuring American steaks, French onion soup, Ecuadorian ceviche and Swiss fondue."

We identified more than 26,500 ethnic and regional cuisines in the 271 metropolitan areas, more than 10 percent of the total number of restaurants in those places. Our limited data from Pennsylvania indicate the rapid growth of the trend and its spread into non-metropolitan areas: Philadelphia's 253 ethnic restaurants in 1980 were double the number in 1960. We also found a substantial number of ethnic restaurants in Pennsylvania's smaller cities and towns.

New York City has the most ethnic restaurants (3,033), and one metropolitan area (Steubenville-Weirton, Ohio) has none. Do ethnic foods proliferate in America's most populous and ethnically diverse metropolitan areas? To answer this question, we controlled our results for population size, dividing the number of ethnic restaurants by the total number of restaurants in each area.

We found definite regional differences in the popularity of ethnic restaurants. If the acceptance of exotic cuisines is a leading indicator of a metropolitan area that has gone international, the process had advanced much further in some North American metropolitan areas than in others.

The bicoastal palate

Ethnic restaurants are most common in the Northeast and West and throughout metropolitan Canada. The greatest concentration occurs in Connecticut and throughout northeastern metropolitan areas. There are fewer ethnic restaurants in the South, the Midwest or the western reaches of the Middle Atlantic states. Florida, Texas and Oklahoma are notable exceptions to this rule.

Many metropolitan areas with large ethnic populations, like Detroit, Cleveland, Gary, Johnstown, Buffalo and Utica, have relatively few ethnic restaurants. But they proliferate in metropolitan areas with large volumes of tourists, such as Washington, Ottawa, New York, Miami, New Orleans and Las Vegas. Ethnic restaurants also seem to do well in state capitals, college towns and areas that are growing rapidly.

In general, thrill-seeking North American gourmets look for menus from Eastern and Southern Asia, the Romance lands of Europe and portions of Latin America. They avoid the cuisines of the United Kingdom, Scandinavia and Germany, perhaps because they are similar to standard American fare.

With few exceptions, we found no strong relationship between the relative strength of an ethnic cuisine and the distribution of most ethnic groups. Some of the minor cuisines, such as Ukrainian, Polish, Basque, Thai, Afghan, Ethiopian or Filipino, are restricted to areas with large concentrations of immigrants. But even these—Thai and Ethiopian in particular—can grow rapidly in popularity among general restaurant clientele.

The changing characteristics of immigrants may explain the sudden rise in the diversity of ethnic offerings. In recent years, many of the half-million annual newcomers to these shores have been comparatively affluent and well-educated. Unlike earlier generations of immigrants who had to scramble up the socio-economic ladder painfully and slowly, they arrive with the skills and resources to open their own businesses. And many of the businesses they open are restaurants.

The majority of ethnic restaurants still serve European foods, but Chinese food is by far the most prevalent cuisine. Chinese restaurants accounted for 29 percent of the cuisines tallied in our study, followed by Italian (22 percent), Mexican (20 percent), French (5 percent), Continental (4.5 percent), and Japanese (4 percent) restaurants. These serve the foods that have managed to leap over ethnic and spatial barriers and burrow deeply into the Anglo palates of North America.

Chinese, Italian and Mexican restaurants accounted for over 70 percent of all ethnic restaurants in this study, and more recent surveys by Gallup and the National Restaurant Association confirm this pattern. Obviously, many of the owners of these restaurants have only a commercial interest in the countries they promote.

Mexican restaurants have developed in strength within the past two decades. Mexican food is hurtling northward and eastward at a rapid pace, thanks in part to some aggressive franchisers. By 1990 Mexican restaurants probably will be common in the Southeast and far Northeast, where they are still rare today.

Future opportunities

Studies like this one hint at future opportunities for the restaurant industry. There are few restaurants that serve the marvelous diversity of regional Mexican cuisines, for example, and even fewer that emphasize the exciting cuisines of eastern and southeastern Europe. In 1980, for example, there were no Bulgarian restaurants in metropolitan North America. ❑

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THE CUISINE

by Joanna E. McQuillan

Clinging to the edge of the Iberian Peninsula, washed by the waves of the Atlantic and isolated from Spain by rugged mountains lies Portugal, home of a robust, inventive cookery that deserves a place among the ethnic cuisines so popular today.

It might be taken for granted that this small country, only 360 miles long by 140 miles wide, would have a cuisine nearly identical to that of Spain, its much larger neighbor. But aside from sharing the flavors of tomatoes, garlic and olive oil, the two cuisines are very distinct. Chef Jasper White of Boston's Restaurant Jasper, who says he's always been a fan of Portuguese cuisine, considers it "one of the best in Europe—robust, with lots of flavor. It's very individual, different from Spanish or Italian." He often features Portuguese-inspired dishes on his menus.

Innovative harmonies

The cooking of Portugal is basically simple, a food of the people that varies abruptly within the distance of a few miles, along with the climate, terrain and produce. In concert with that variety, Portuguese cooks have composed innovative harmonies of foods and flavors, such as marinated pork with clams or a soup of shrimp and eggs in a garlicky broth thickened with crumbled dry bread. It is this inventiveness that intrigues chefs like White and food and travel writer Jean Anderson, who in 1986 published the first major cookbook in English devoted to Portuguese cuisine, *The Food of Portugal* (William Morrow and Co., Inc., New York, NY).

The exploration of Portuguese mariners in the 16th century enriched their homeland's cuisine. The ships returned laden with the spices of the East (curry, cinnamon, cloves, nutmeg and pepper), rice and tea. From the New World came pineapples, peppers, tomatoes and potatoes; from Africa, coffee, broad beans and peanuts.

As they do today, Portuguese fishermen ventured to the Grand Banks off Newfoundland to fish for *bacalhau* (cod) as early as 1500. They developed a method of salting their catch so that it could be kept for months. Bacalhau is a staple in the modern Portuguese kitchen, and it is prepared in many ways—baked, poached, broiled, fried, sauced or made into codfish cakes. In fact, it is said that the Portuguese have as many recipes for salt cod as there are days of the year. Of course, as befits a country bordering the ocean and threaded with rivers, fresh fish and shellfish hold a prominent place on the table. Portugal is not known for choice beef, but rather for pork, chicken, rabbit and kid. The country's cheeses are most often made of sheep or goat's milk, and can rival the best of France.

Cabbage and sausage

While the Portuguese eat few salads and generally give short shrift to vegetables, cabbage is one vegetable they prize highly, especially a deep green, non-heading variety much like kale. The soup made with this cabbage, *caldo verde*, or green soup, is virtually a national dish. Green soup is a soul-satisfying brew composed of slightly mashed potatoes and shredded cabbage in broth accented with a garlicky sausage called chourico. "When nice kale comes into the kitchen, that's the first thing I make," White says. Like the andouille sausage popularized by Cajun cooking, chourico and linguica are highly spiced, garlicky pork sausages found in the Portuguese kitchen. They are also produced in the United States in the Portuguese-American communities on the East and West Coasts.

In her book, Anderson catalogs the herbs, spices and flavorings Portuguese cooks rely on most heavily. Perhaps the most important of these is fresh coriander, whose lemony-nutty essence enhances soups, stews, vegetables and rice. Other essentials are almonds, bay leaves, cinnamon, curry, garlic, lemon, mint, olive oil, olives, onions, oranges, hot and sweet paprika, parsley, saffron and sweet red peppers (pimentos). Piri-piri oil, made with an incendiary red pepper from the former Portuguese colony of Angola, frequently appears on tables as a condiment. *Massa de pimentao*, a paste made of roasted sweet red peppers, crushed garlic and olive oil, is commonly used as a dry marinade for meats in the Baixo Alentejo province. Tomato, vinegar and dry wine are other frequently employed flavorings.

Portuguese desserts tend toward excruciatingly sweet and rich egg confections, believed to have been introduced by the Moors. *Pudim flan*, a caramel custard sometimes flavored with port, is a national favorite.

A 'gutsy and robust' cuisine

Chef White, one of the standard-bearers of contemporary American cooking, borrows from the cuisines of many nations. He believes interest in ethnic foods is a continuing phenomenon. "Everybody's looking for something new—or new to another market," he says.

White likes Portuguese cuisine because it is "gutsy and robust" and offers intriguing combinations "like the pork and clams. It's an unbelievable combination of flavors, but it works very well." This blending of ingredients was said to have originated during the Inquisition, when eating pork and shellfish, both forbidden to Jews and Moslems, was seen as a

Joanna E. McQuillan is a freelance writer in Fairhaven, Massachusetts.

1987 RESTAURANTS USA

INDEX

A

Advertising
Beef industry ad campaign takes off (Feb., p. 44)
Calling all cars (Dec., p. 47)
Commercials that tell stories (Apr., p. 47)
Fisher's Law: How to develop effective ad copy (Sept., p. 35)
Getting the word to business travelers (Jan., p. 47)
Mac Tonight—too much of a hit? (Nov., p. 47)
Restaurant T-shirts (Nov., p. 24)

Alcohol awareness
Helping the addicted employee (March, p. 21)
Revelers get a free ride home (Feb., p. 47)

Alcoholism
Helping the addicted employee (March, p. 21)
Warning signs of abuse (March, p. 22)
Where to find help (March, p. 23)

Arts
A forum for the arts (Jan., p. 47)
A new reason to visit Bavarian Inn—dolls (Apr., p. 47)
A $700 hamburger lunch (Sept., p. 47)

Benefits
A legal view of employee benefit plans (Feb., p. 20)
Benefits and incentives (a list) (Feb., p. 12)
Child care: the fringe benefit of the 1990s? (May, p. 20)
Customize benefits (Feb., p. 13)
Employee benefits attract the best (Feb., p. 10)
Education and enrichment programs (Nov., p. 29)
Giving employees a share of the business (Feb., p. 16)
How's Business (Feb., p. 45)
Overseas for a job well-done (Feb., p. 47)
Restaurateurs fume over mandated benefits (May, p. 23)
Smaller businesses choose profit sharing (Feb., p. 18)
See: **Washington Report Index**

Beverages
A renaissance for beer in America (Jan., p. 29)
Beer: an up and coming beverage (J/J, p. 13)
Beer consumption: not for men only (Nov., p. 44)
Beer facts (Jan., p. 33)
Burgundy wine tour diary (Nov., p. 32)
Curing the wine list jitters (J/J, p. 47)
Denny's gambles on wine (Oct., p. 47)
Is caffeine culpable? (Nov., p. 36)
Market grows for tea and decaffeinated coffee (Aug., p. 43)
Market strong for mocktails, wine sales (Aug., p. 41)
Mixed drinks mix well with food (Feb., p. 47)
Restaurateurs profit from beer revival (Jan., p. 31)
Shorter, smaller wine lists (J/J, p. 27)
Sommelier exam program makes American debut (Feb., p. 6)
The potent effects of the first brew (May, p. 47)
Unlimited drink refills (Sept., p. 47)
Water for a price (water bar) (Jan., p. 47)
Who drinks what, where (Aug., p. 38)
Wine list leads from the Show (J/J, p. 12)
Wines for "We the People" (March, p. 47)
Young wines soon to be in (J/J, p. 12)

C

Chefs
An American chef in the White House (Nov., p. 47)
Average chef wage reaches $8.35 (Apr., p. 44)

Children
Child care: the fringe benefit of the 1990s? (May, p. 20)
Children: a growing market (Aug., p. 26)
Kids' menus should be for patrons 9 years old and younger (Aug., p. 35)
Menus: ways to keep kids busy (Aug., p. 32)
Nutrition: how best to feed kids (Aug., p. 30)
Serving the modern family (Aug., p. 30)

Communications
Crisis communication (Nov., p. 21)
Effective employee discipline requires keeping in close touch (Nov., p. 26)
Fisher's Law: The art of asking questions (Feb., p. 35)
Fisher's Law: The written word (Oct., p. 35)
How to manage employee conflict (Oct., p. 16)
How to publicize a nutrition program (Feb., p. 32)
Working with the press (Nov., p. 23)

Computers
Association publishes computer directory (March, p. 6)
Computer software/hardware checklist (Sept., p. 15)
Creating a customized labor scheduling system (Sept., p. 16)
Restaurant software comes of age (Sept., p. 14)

Consultants
Resources for developing nutritious menus (Feb., p. 34)

Consumption patterns
Adapting to the interest in nutrition (Feb., p. 30)

Breakfast business was sluggish in 1986 (Apr., p. 40)
Catfish (Oct., p. 9)
Dining habits of young adults (Oct., p. 36)
Egg rolls go cosmopolitan (Sept., p. 24)
How's Business (Jan.–Dec., p. 45)
Midscale restaurants: Where have all the customers gone? (Jan., p. 13)
Tastes of the Orient come West (Sept., p. 18)
The lunch crowd gets more finicky (March, p. 47)
The midscale dilemma (Jan., p. 16)
Who drinks what, where (Aug., p. 38)
1988 association foodservice forecast (Dec., p. 21)

Convenience
A different kind of delivery—shuttle (Apr., p. 47)
Drive-thrus: opening a window for profit (March, p. 10)
Fast food with no cash (Dec., p. 11)
Home delivery (Dec., p. 18)
Midscale restaurants: Where have all the customers gone? (Jan., p. 13)
The lunch crowd gets more finicky (March, p. 47)

Cooking classes
Ingredients of a well-taught class (Feb., p. 29)
Restaurant cooking classes (Feb., p. 26)
Why offer cooking classes (Feb., p. 27)

CREST (Consumer Reports on Eating Share Trends)
See: **Foodservice Trends Index**

Crisis management
Crisis communication (Nov., p. 21)
Crisis communication policy (Nov., p. 22)
Crisis management: planning ahead (Nov., p. 20)
Managing a safe, sanitary operation (Nov., p. 18)
Restaurateur averts crisis (Nov., p. 17)
Working with the press (Nov., p. 23)

Customer relations
A different kind of delivery—shuttle (Apr., p. 47)
Fast cash for fast food (May, p. 47)
Fast food with no cash (Dec., p. 11)
Frequent diner programs (May, p. 16)
Is nutrition important to your customers? (Feb., p. 31)
Renewed emphasis on customer service (Oct., p. 13)
Restaurant cooking classes (Feb., p. 26)
Understanding customer loyalty (May, p. 19)
Unlimited drink refills (Sept., p. 47)
Viewpoint: Open your door to the hard of hearing (Apr., p. 32)
What customers think about tips, service charges (Oct., p. 20)
Ways to accommodate elderly patrons (Apr., p. 33)
Why offer cooking classes (Feb., p. 27)
Winning the customer of tomorrow (Nov., p. 12)

D

Delivery
Frozen meals on wheels (Dec., p. 47)
Home delivery (Dec., p. 18)
Hotel delivery begins with a bowl of tortilla soup (Dec., p. 19)
Winning the customer of tomorrow (Nov., p. 12)

Demographics
Dining habits of young adults (Oct., p. 36)
More young adults live at home (Oct., p. 39)
Older patrons are apt to be loyal (Sept., p. 7)
Older workers: industry workforce of the future? (Sept., p. 10)
Serving the modern family (Aug., p. 30)
Students test lunch menus (Jan., p. 47)
Twenty-five to 34-year-olds (Nov., p. 38)
Viewpoint: Open your door to the hard of hearing (Apr., p. 32)
Ways to accommodate elderly patrons (Apr., p. 33)
Winning the customer of tomorrow (Nov., p. 12)
1988 association foodservice forecast (Dec., p. 21)
See: **Children**

Design
Burgers and flying buttresses (McDonald's) (May, p. 47)
Do-it-yourself design (May, p. 26)
Flashy flushes (Oct., p. 24)
Making a mural work (March, p. 25)
Marketing restaurants with design (Dec., p. 16)
Midscale restaurants: Where have all the customers gone? (Jan., p. 13)
Murals: A restaurant's exclamation point (March, p. 25)
New directions in restaurant design (J/J, p. 22)
Off-peak business can be on the money (Jan., p. 34)
Protecting a restaurant's image (May, p. 28)

Desserts
How's Business (Jan.–Dec., p. 45)
1988 association foodservice forecast (Dec., p. 21)

Drive-thrus
Dough to go (Nov., p. 47)
Drive-thrus: how they used to be (March, p. 12)
Drive-thrus: opening a window for profit (March, p. 10)
Not for limited menus only (March, p. 13)

Drug abuse
Helping the addicted employee (March, p. 21)
Warning signs of abuse (March, p. 22)
Where to find help (March, p. 23)

E

Economic indicators
How's Business (Jan.–Dec., p. 45)
See: **Foodservice Trends Index**

Employee relations
A legal view of employee benefit plans (Feb., p. 20)
Apprenticeships: investing in the future (Sept., p. 33)
Child care: the fringe benefit of the 1990s? (May, p. 20)
Customize benefits (Feb., p. 13)
Domino's Pizza on the air (Sept., p. 47)
Education and enrichment programs (Nov., p. 29)
Effective employee discipline (Nov., p. 26)
Employee benefits attract the best (Feb., p. 10)
Employee dining (Oct., p. 26)
Fisher's Law: Managing morale (Nov., p. 35)
Fisher's Law: The art of asking questions (Feb., p. 35)
Giving employees a share of the business (Feb., p. 16)
How to manage employee conflict (Oct., p. 16)
Life in the family business (March, p. 30)
Servers speak out on loyalty (Feb., p. 21)
16 ways to put money in your pocket (May p. 11)

Equipment
Cream of the exhibition crop (J/J, p. 18)
How to find equipment at the Show (Apr., p. 20)

Ethnic foods
Common ingredients in Asian cooking (Sept., p. 22)
Distinctive characteristics of 5 Asian cuisines (Sept., p. 21)
Egg rolls go cosmopolitan (Sept., p. 24)
Handpicking the right olive oil (J/J, p. 28)
It's not the same old fortune cookie (Sept., p. 47)
New excitement in the Italian segment (J/J, p. 36)
Regional ethnic cuisine (Dec., p. 9)
Tastes of the Orient come West (Sept., p. 18)
1988 association foodservice forecast (Dec., p. 21)
See: **Recipes**

F

Family business
Family business owners want children to try their wings elsewhere (Apr., p. 6)
How's Business (Jan.–Dec., p. 45)
Life in the family business (March, p. 30)

Fast food
Burgers and flying buttresses (McDonald's) (May, p. 47)
Commercials that tell stories (Pizza Hut) (Apr., p. 47)
Drive-thrus: opening a window for profit (March, p. 10)
Drive-thrus: how they used to be (March, p. 12)
Fast cash for fast food (May, p. 47)
Fast food chain has a heart (March, p. 47)
Fast food with no cash (Dec., p. 11)
New publication examines restaurant patronage (Apr., p. 6)
On to Beijing, Belgrade (March, p. 47)
1988 association foodservice forecast (Dec., p. 21)
2,000 Whoppers to go (Aug., p. 47)
See: **Franchises**
See: **Washington Report Index**

Fish/seafood
Catfish (Oct., p. 9)
How's Business (Jan.–Dec., p. 45)
Keeping up with dwindling seafood supplies (Apr., p. 38)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)

Fisher's Law
#79 Executive exercise (Jan., p. 39)
#80 The art of asking questions (Feb., p. 35)
#81 10 rules for board meetings (March, p. 35)
#82 How secure is the boss? (Apr., p. 35)
#83 Getting a bank loan (J/J, p. 34)
#84 How to choose a lawyer (Aug., p. 37)
#85 How to develop effective ad copy (Sept., p. 35)
#86 The written word (Oct., p. 35)
#87 Managing morale (Nov., p. 35)

Food costs
Redfish ban means higher prices (March, p. 8)
See: **Foodservice Trends Index**

Food trends/notes
Beef battles back (Feb., p. 42)
Blue potatoes, avocado oil (Feb., p. 47)
Breakfast business was sluggish in 1986 (Apr., p. 40)
Catfish (Oct., p. 9)
Children: A growing market (Aug., p. 26)
Egg rolls go cosmopolitan (Sept., p. 24)
How's Business (Jan.–Dec., p. 45)
Keeping up with dwindling seafood supplies (Apr., p. 38)
Lamb: Restaurants lead the way (May, p. 30)
Meteoric growth in pizza market (May, p. 38)
Mushrooms (Aug., p. 24)
New medical virtues for garlic (Sept., p. 47)
Popularity of fresh produce transforms marketplace (May, p. 43)
Regional ethnic cuisine (Dec., p. 9)
Salad, side order highlights (J/J, p. 44)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
Tastes of the Orient come West (Sept., p. 18)
Upscale takeout takes off (Aug., p. 10)
Winning customers over to rabbit (Apr., p. 28)
1988 association foodservice forecast (Dec., p. 21)

Foodservice concepts/trends
Employee dining (Oct., p. 26)
Frequent diner programs (May, p. 16)
Home delivery (Dec., p. 18)
Older workers—industry work force of the future? (Sept., p. 10)
Restaurant software comes of age (Sept., p. 14)
Winning the customer of tomorrow (Nov., p. 12)
See: **Industry segments and trends**

Franchises
A project of hope at Malaysia's KFC (Dec., p. 47)
Chain opens cluck advice line (Oct., p. 47)
Denny's gambles on wine (Oct., p. 47)
Fostering franchise innovations from the ground up (March, p. 15)
Franchise handbook released (March, p. 6)
Franchise sector continues to diversify (March, p. 36)
Help needed in human relations (March, p. 18)
How's Business (March, p. 45)
Job profile of multi-unit managers (March, p. 19)
Job responsibilities of the multi-unit manager (March, p. 18)
President Reagan honors Arby's (Sept., p. 6)
Regionalization of concepts in the future (March, p. 17)
Unlimited drink refills (Sept., p. 47)
Which of these 17 facts about franchise beginnings do you know? (March, p. 30)
See: **Fast food**

Grocery stores/C-stores
A super Mexican market (May, p. 47)
Waters opens market (Oct., p. 47)

H

Health
See: **Nutrition**

Hotel foodservice
Hotel delivery begins with bowl of tortilla soup (Dec., p. 19)
Hotel food: a bigger part of the marketing plan (Dec., p. 14)
Marketing hotel restaurants with design (Dec., p. 16)

How's Business profiles
Allen's Restaurant, Colfax, WA (May, p. 46)
Amarillo Grill, Wichita, KS (May, p. 46)
American Deli Incorporated, Martinsburg, WV (Dec., p. 45)
Arthur's Tavern, Hoboken, NJ (Feb., p. 45)
Bailey's Restaurant & Bar, Park Ridge, IL (March, p. 45)
Bates Inn, Batesburg, SC (Apr., p. 45)
Ben Franks Restaurants, Redwood City, CA (March, p. 46)
Benton's Restaurant and Cork & Cheese Board, Florence, SC (Aug., p. 45)
Big Al's Restaurant, Oklahoma City, OK (Apr., p. 46)
Boondocks, Beaumont, TX (Feb., p. 46)
Bridges Restaurant, Aberdeen, WA (Feb., p. 46)
Butterfield Restaurant, Rockland, MA (Apr., p. 45)
Casey's East, Troy, NY (Nov., p. 45)
Catfish Country, Montgomery, AL (J/J, p. 45)
Checkmate Family Restaurant, Bomoseen, VT (Jan., p. 45)
Chism Corner, Swayzee, IN (Dec., p. 45)
City Cafe, Elgin, TX (J/J, p. 46)
Colonel Chutney's, Chapel Hill, NC (Nov., p. 45)
Dakota Farms Family Restaurant, Dickinson, ND (Jan., p. 46)
Dick's Big Mouth Restaurant, Phoenix, AZ (J/J, p. 46)
Dizzy Whizz Restaurant, Louisville, KY (Feb., p. 45)
Emile's Restaurant, Geneva, NY (May, p. 45)
Empress Chili, Nashville, TN (March, p. 45)
Farmer's Cafe, Piggot, AK (Oct., p. 46)
Fillets Incorporated—Your Family Restaurant, Pascagoula, MS (Jan., p. 45)
Firehouse One Restaurant, Dover, NH (May, p. 45)
GaLa, Fayette, AL (Dec., p. 46)
Garrison Street Station, Lakewood, CO (Oct., p. 46)
George Pandl's in Bayside Inc., Milwaukee, WI (Feb., p. 45)
Gourmet House, Mandan, ND (Nov., p. 46)
Grandpa's Steakhouse, Kearney, NE (Dec., p. 46)
Graystone Restaurant, Selma, AL (May, p. 45)
Hall's Restaurant, Boonesboro, KY (Oct., p. 45)
Henry James Bar-B-Que, High Point, NC (March, p. 45)
Hibachi Hut, Manhattan, KS (Oct., p. 46)
Hillbilly Smoke House, Roger, AK (Dec., p. 46)
Home Run Inn Inc., Chicago, IL (Sept., p. 45)
Jack's Family Restaurant, Weatherford, TX (Jan., p. 46)
Jerry's Road House, Grand Rapids, MI (May, p. 45)
Jose's Incorporated, Fayetteville, AR (May, p. 46)
Los Alamos Inn, Los Alamos, NM (Sept., p. 46)
Lou and Ev's Cafe Inc., Eugene, OR (Jan., p. 46)
Major Wallaby's Restaurant, Madison, TN (Aug., p. 45)
Maxwell's Restaurant, Vicksburg, MS (Sept., p. 45)
Mel O Dee Restaurant, Sarasota, FL (Sept., p. 45)
Midtown Cafe, Harrisburg, PA (Apr., p. 45)
Midtown Restaurant, Alton, IL (Apr., p. 45)
Miner's Ore House Restaurant, Keystone, SD (Aug., p. 46)
Moose's Saloon, Kalispell, MT (Aug., p. 46)
Nellie's Family Restaurant, Jackson, WY (Jan., p. 46)
Old Lyme Inn, Old Lyme, CT (Dec., p. 45)
Old West Restaurant, Roland, OK (Aug., p. 46)

Olde Broom Factory Restaurant, Cedar Falls, IA (Apr., p. 46)
On the Waterfront, Morgan City, LA (Nov., p. 46)
Paradise Inn Restaurant, Fillmore, UT (Dec., p. 46)
Pearls Fish Cafe, Atlanta, GA (J/J, p. 45)
Pier 29, Oakland, CA (Nov., p. 46)
Polecat and Lace, Minocqua, WI (Nov., p. 45)
Quarterdeck on Gull Lake, Brainerd, MN (J/J, p. 46)
R. Jones Ent., Inc., Baton Rouge, LA (March, p. 46)
Rapp's Paradise Inn, Ansonia, CT (Oct., p. 45)
Red Tavern, Methuen, MA (J/J, p. 45)
Red Wells Famous Roast Beef Shop, Toledo, OH (J/J, p. 45)
Regina's Restaurant, Bend, OR (Oct., p. 46)
Reub-N-Stein, Northfield, MN (Sept., p. 46)
Rick's Cafe, Denver, CO (Feb., p. 46)
Round the Corner Restaurant, Boulder, CO (March, p. 46)
Savoy Grill, Kansas City, MO (Feb., p. 46)
Schlotzsky's Sandwich Shop, Bakersfield, CA (Dec., p. 46)
Scott's Family Restaurant Inc., Illiopolis, IL (Jan., p. 45)
Scotty's, Ludington, MI (Aug., p. 45)
Sioux Street, El Paso, TX (Sept., p. 46)
Sky View Restaurant, Kutztown, PA (Dec., p. 45)
Spinnakers By The Sea, Southwest Harbor, ME (Sept., p. 45)
Streetroad's Olde Schoolhouse, Ticonderoga, NY (J/J, p. 45)
Talbot Tavern, Bardstown, KY (Apr., p. 45)
Texas Hot Restaurant, Wellsville, NY (Jan., p. 45)
The Brass Parrot, Baker, OR (J/J, p. 46)
The Country Kitchen, Edgewater, MD (Jan., p. 45)
The Dream, Hollidaysburg, PA (Aug., p. 45)
The Impeccable Pig Incorporated, Scottsdale, AZ (May, p. 46)
The Office, Summit, NJ (March, p. 45)
The Old Spaghetti Factory, Inc., Portland, OR (Sept., p. 46)
The Penwick House, Dunkirk, MD (Oct., p. 45)
The Point Restaurant, Rio Vista, CA (Aug., p. 46)
The Spice of Life, Allentown, PA (Oct., p. 45)
The Steak Club, Wethersfield, CT (March, p. 45)
The Varsity Drive-in, Athens, GA (Feb., p. 45)
The Woods, Rocky River, OH (Oct., p. 45)
Tiga's Sweet Tooth, Hollywood, FL (May, p. 45)
Truants Taverne, North Woodstock, NH (Aug., p. 45)
Waffles 'N More, Lewiston, ID (Nov., p. 46)
Walker's Restaurant, Brattleboro, VT (Nov., p. 45)
White Castle System, Inc., St. Paul, MN (March, p. 46)
Wolf Lodge Inn, Coeur D'Alene, ID (Apr., p. 46)
Wright's Country Cuisine, Kingsport, TN (Nov., p. 45)
Yosemite Parkline Restaurant, El Portal, CA (Apr., p. 46)
Youell's Oyster House, Easton, PA (Sept., p. 45)
6 D's Restaurant, Pine Meadow, CT (Feb., p. 45)

I

Immigration reform law
See: **Washington Report Index**

Industry segments and trends
Bye, bye mess hall blues (J/J, p. 20)
CREST midscale restaurant performance (Jan., p. 17)
Employee dining (Oct., p. 26)
Hotel food: a bigger part of the marketing plan (Dec., p. 14)
Marketing hotel restaurants with design (Dec., p. 16)
Midscale restaurants: Where have all the customers gone? (Jan., p. 16)
New excitement in Italian segment (J/J, p. 36)
New publication examines restaurant patronage at fast food and moderately priced family restaurants (May, p. 6)
Saving a greasy spoon (Aug., p. 47)
The midscale dilemma (Jan., p. 16)
1988 association foodservice forecast (Dec., p. 21)
See: **Delivery**
See: **Family business**
See: **Foodservice concepts/trends**
See: **Takeout**

Information
A dictionary of fats (J/J, p. 32)

International foodservice
A project of hope in Malaysia's KFC (Dec., p. 47)
Burgundy wine tour diary (Nov., p. 32)
Foreign travel to the U.S. is on the upswing (Jan., p. 40)
On to Beijing, Belgrade (March, p. 47)
Qu'est ce que c'est California cuisine? (J/J, p. 47)
Regional ethnic cuisine (Dec., p. 9)
Serving the foreign visitor (Jan., p. 43)
Welcome the Moscow cafe (J/J, p. 47)

Interviews
Bob Juliano gives union perspective on industry issues (May, p. 9)
Biff Naylor discusses the association's PAC (Feb., p. 8)
See: **Profiles**

L

Leaders of Learning
Job responsibilities of the multi-unit manager (March, p. 18)
What I learned from stepping back into foodservice (Oct., p. 22)

Legal issues
A legal view of employee benefit plans (Feb., p. 20)
Fisher's Law: How to choose a lawyer (Aug., p. 37)
Protecting a restaurant's image (May, p. 28)
Tip reporting: a reminder (Jan., p. 10)

Legislative issues
Board tests legislative, regulatory outlook (Feb., p. 9)
1987 legislative, regulatory wrapup (Dec., p. 7)
1987 state election results (Jan., p. 11)
1988 association foodservice forecast (Dec., p. 21)
See: **Washington Report Index**

Liquor liability
American Express announces new liquor liability program (Nov., p. 6)

Management
Apprenticeships: investing in the future (Sept., p. 33)
Crisis management: planning ahead (Nov., p. 15)
Crisis communication (Nov., p. 21)
Effective employee discipline (Nov., p. 26)
Employee benefits attract the best (Feb., p. 10)
Employee dining (Oct., p. 26)
Fisher's Law: How secure is the boss? (Apr., p. 35)
Fisher's Law: Managing morale (Nov., p. 35)
Fisher's Law: 10 rules for board meetings (March, p. 35)
Giving employees a share of the business (Feb., p. 16)
Helping the addicted employee (March, p. 21)
How to manage employee conflict (Oct., p. 16)
How's Business (Jan.–Dec., p. 45)
Job profile of multi-unit managers (March, p. 19)
Job responsibilities of the multi-unit manager (March, p. 18)
Managing a safe, sanitary operation (Nov., p. 18)
Older workers: industry work force of the future? (Sept., p. 10)
Percentage of teens in industry labor force drops (Sept., p. 12)
Why people fail (Aug., p. 47)
Winning the customer of tomorrow (Nov., p. 12)
10 pointers for recruiting older workers (Sept., p. 12)
16 ways to put money in your pocket (May, p. 11)
See: **Benefits**
See: **Computers**
See: **Customer relations**
See: **Design**
See: **Employee relations**
See: **Foodservice concepts/trends**
See: **Marketing**
See: **Promotions**
See: **Public relations**
See: **Repositioning**
See: **Restaurant expansion**
See: **Training**

Marketing/merchandising
A forum for the arts (Jan., p. 47)

A spicy spin-off (Jan., p. 47)
Off-peak business can be on the money (Jan., p. 34)
Fisher's Law: The written word (Oct., p. 35)
Flashy flushes (Oct., p. 24)
Frequent diner programs (May, p. 16)
Hotel food: A bigger part of the marketing plan (Dec., p. 14)
Marketing nutrition through menus (Oct., p. 30)
Marketing restaurants with design (Dec., p. 16)
Restaurant previews (Apr., p. 26)
Restaurant T-shirts (Nov., p. 24)
Upscale takeout takes off (Aug., p. 10)
1988 association foodservice industry forecast (Dec., p. 21)

Menus
A 5-point plan for menu planning (Aug., p. 21)
Artichokes in the clouds (Dec., p. 47)
How's Business (Jan.–Dec., p. 45)
Kids' menus should be for patrons 9 years old and younger (Aug., p. 35)
Marketing nutrition through menus (Oct., p. 30)
Menu prices are rising (Sept., p. 43)
Menus: ways to keep kids busy (Aug., p. 32)
Midscale restaurants: Where have all the customers gone? (Jan., p. 13)
Off-peak business can be on the money (Jan., p. 34)
Winning customers over to rabbit (Apr., p. 28)
24th Annual Great Menu Contest (May, p. 32)
See: **Foodservice trends/notes**
See: **Recipes**
See: **Takeout**

Military foodservice
Bye, bye mess hall blues (J/J, p. 20)
2,000 Whoppers to go (Aug., p. 47)
1988 association foodservice forecast (Dec., p. 21)

Minimum wage hike
See: **National Restaurant Association services and activities—Board and member activities**
See: **Washington Report Index**

Motivation
Effective employee discipline (Nov., p. 26)
Fisher's Law: Managing morale (Nov., p. 35)
Servers speak out on loyalty (Feb., p. 21)
See: **Benefits**
See: **Management**

Murals
Making a mural work (March, p. 27)
Murals: a restaurant's exclamation point (March, p. 24)
New techniques (March, p. 28)

N

National Restaurant Association services and activities

☐ **Awards/honors**
Association recognized for helping the disabled (Apr., p. 6)
Elmont and Maynard win silver plates (Aug., p. 37)
Hasslocher wins achievement award (May, p. 35)
Johnson & Wales honors Balestreri (Aug., p. 36)
U.S. Culinary Team brings home the bronze (Oct., p. 34)
1986 Great Menu Contest winners showcased in new book (Jan., p. 6)
24th annual Great Menu Contest (May, p. 32)
☐ **Board and member activities**
Association gets new logo (J/J, p. 6)
Association membership elects new directors (J/J, p. 35)
Association officers unveil forecast to media (Jan., p. 37)
Board establishes Larry Hilaire Scholarship (March, p. 34)
Board tests legislative, regulatory outlook (Feb., p. 9)
Directors convene in Washington (Oct., p. 34)
Directors outline minimum-wage opposition to media (Sept., p. 7)
Discount on business phone calls (J/J, p. 6)
Elmont speaks out against mandated parental and medical leave (Aug., p. 36)
Fisher pledges to fight minimum-wage hike (May, p. 35)
Grisanti continues fight to fend off minimum-wage hike (J/J, p. 7)
Grisanti names new committee chairmen (J/J, p. 35)
Grisanti nominated association Chairman (March, p. 34)
Grisanti promotes industry unity (Sept., p. 7)
Grisanti tells media: Rise in minimum wage hurts poor (Aug., p. 36)
Members donate items to tourism breakfast (May, p. 35)
Paula Grisanti saves the day (J/J, p. 35)
Royals establish minority scholarship fund (Nov., p. 11)
The Manor presents historic dinner (Nov., p. 11)
Welcome the Moscow cafe (J/J, p. 47)
☐ **Conferences**
Conference on employing older workers in foodservice (J/J, p. 6)
INFO 87 Conference report (May, p. 10)
Public Affairs Conference report (Nov., p. 9)
☐ **Discounts**
Discounts on business phone calls (J/J, p. 6)
☐ **Educational activities**
American Express donates $25,000 to Educational Foundation (May, p. 6)
Educational foundation announces fund in memory of McGuire (Dec., p. 6)
Seven educators win fellowships (May, p. 6)
Sommelier exam program makes American debut during Monterey Wine Festival (Feb., p. 6)
☐ **Information**
ISAL needs your help! (Sept., p. 7)
☐ **Insurance**
Association group major medical plan available (Oct., p. 6)
Enrollment period open for association medical plan (March, p. 6)
Liability insurance for association members (Sept., p. 6)
☐ **PAC/PEC**
Biff Naylor discusses the association's PAC (Feb., p. 8)
☐ **Publications**
Association publishes computer directory (March, p. 6)
Association publishes guidelines for ingredient and nutrition facts (May, p. 6)
New publication examines restaurant patronage (May, p. 6)
1986 Great Menu Contest winners showcased in new book (Jan., p. 6)
1987 *Restaurant Industry Operations Report* is out (Sept., p. 6)
1987/88 *Catalog of Publications* is out (Oct., p. 6)
See: **Studies in Foodservice Trends Index**
☐ **Receptions**
Board hosts 229 members of Congress (Oct., p. 34)
Fifth annual Chef d'Oeuvre: A "don't miss" event (Nov., p. 10)
☐ **The Show**
How to find equipment at the Show (Apr., p. 20)
22 Congressmen attend Show (Apr., p. 9)
1987 Show preview (Apr., p. 9)
1987 Show report (J/J, p. 9)
☐ **Videos**
New "Tips and Taxes" training video (Jan., p. 10)
☐ **Washington activities**
Association testifies on FICA issue (Apr., p. 36)
Board tests legislative, regulatory outlook (Jan., p. 9)
Elmont speaks out against mandated parental and medical leave (Aug., p. 36)
Grisanti continues to fight to fend off minimum-wage hike (J/J, p. 7)
Schreiner describes costs of new OSHA ruling (Nov., p. 11)
See: **Washington Report Index**

No cash transactions
A company credit card (Dec., p. 12)
Fast cash for fast food (May, p. 47)
Fast food with no cash (Dec., p. 11)

No smoking
A no-smoking restaurant town (Apr., p. 47)

Nutrition
A dictionary of fats (J/J, p. 32)
Adapting to the interest in nutrition (Feb., p. 30)
Association publishes guidelines for ingredient and nutrition facts (May, p. 6)
Avoiding the problems of cooking with fat (J/J, p. 33)
Fast food chain has a heart (March, p. 47)
How to publicize a nutrition program (Feb., p. 32)
Is caffeine culpable? (Nov., p. 36)
Is nutrition important to your customers? (Feb., p. 31)
Junk food rat gets last laugh (Apr., p. 47)
Lowfat menus are getting another public boost (Dec., p. 6)
Marketing nutrition through menus (Oct., p. 30)
New medical virtues for garlic (Sept., p. 47)
Nutrition: how best to feed kids (Aug., p. 30)
Resources for developing nutritious menu concepts (Feb., p. 34)
Restaurants participate in Great Salt Out (Aug., p. 6)
Snacking has gone "natural" (Oct., p. 47)
The connection between cancer and nutrition grows stronger (Jan., p. 38)
The jury is still out on monosodium glutamate (March, p. 33)
Ways to accommodate elderly patrons (Apr., p. 33)
Working with dietitians (Oct., p. 33)
1988 association foodservice forecast (Dec., p. 21)

P

Profiles
From dishwasher to restaurateur (Jan., p. 18)
Starting in the business early (J/J, p. 47)
See: **How's Business profiles**

Profit sharing
Giving employees a share of the business (Feb., p. 16)
Setting up a plan (Feb., p. 18)
Smarter companies choose profit sharing (Feb., p. 18)

Promotions
Barnyard chic in Beverly Hills (Aug., p. 47)
Birthday is top restaurant holiday (Sept., p. 38)
Frequent diner programs (May, p. 16)
Restaurant previews (Apr., p. 9)

Public relations
Crisis communication (Nov., p. 21)
How to publicize a nutrition program (Feb., p. 32)
Nationwide project to raise self-esteem of hospitality industry employees (Apr., p. 24)
Restaurant previews (Apr., p. 26)
Restaurateurs help feed the hungry (Aug., p. 14)

Older workers
Locating qualified older workers (Sept., p. 13)
Older workers: the industry work force of the future? (Sept., p. 10)
10 pointers for recruiting older workers (Sept., p. 12)

Purchasing
Handpicking the right olive oil (J/J, p. 28)
How to choose an olive oil for cooking (J/J, p. 29)

R

Recipes
Cajun egg rolls with black bean relish (Sept., p. 24)
Catfish Caribbean (Oct., p. 12)
Chicken bacchus salad (Feb., p. 33)
Chicken breasts with chanterelles (Aug., p. 24)
Choucroute garnie a l'Alsacienne (Dec., p. 10)
Fettuccine with zucchini and mushrooms (Aug., p. 25)
Fresh seafood with tomatoes, basil and garlic croutons (Jan., p. 38)
Fresh trout with mushroom and groats stuffing (Aug., p. 25)
Hasenpfeffer (rabbit) (Apr., p. 31)
Hot smoked Coho salmon Northwest (Oct., p. 34)
Lake fish Ozarks (J/J, p. 11)
Merluza a la vasca (fish) (Dec., p. 10)
Mushroom risotto (Aug., p. 24)
Orange-glazed lamb shanks (May, p. 31)
Paillard of rabbit (Apr., p. 30)
Pasta with catfish and artichokes (Oct., p. 12)
Sauteed Catfish Actuelle (Oct., p. 11)
Red snapper Caribbean (Feb., p. 38)
Tex-Mex egg rolls with salsa (Sept., p. 25)

Repositioning
Midscale restaurants: Where have all the customers gone? (Jan., p. 13)
Off-peak business can be on the money (Jan., p. 34)

Restaurant expansion
Going public (Sept., p. 30)
Mergers (Sept., p. 26)

S

Safety
Food safety and liability (Aug., p. 19)
Managing a safe, sanitary operation (Nov., p. 18)

Sales data
See: **Foodservice Trends Index**

Sanitation
Managing a safe, sanitary operation (Nov., p. 18)

Service
American Express recognizes outstanding service (J/J, p. 6)
Developing quality customer service (J/J, p. 14)
Half of consumers have service charge experience (Oct., p. 21)
Midscale restaurants: Where have all the customers gone? (Jan., p. 13)
Nationwide project to raise self-esteem of hospitality industry employees (Apr., p. 24)
Off-peak business can be on the money (Jan., p. 34)
Recipe for perfect waiter wins contest (Oct., p. 14)
Renewed emphasis on customer service (Oct., p. 13)
Servers speak out on loyalty (Feb., p. 21)
Serving the modern family (Aug., p. 30)
Tips vs. service charges—what customers think (Oct., p. 20)
Viewpoint: Fixed service charges? (Feb., p. 24)
Winning the customer of tomorrow (Nov., p. 12)
Year of the waiter (Apr., p. 23)

Small business
See: **Washington Report Index**

Social responsibility
A project of hope at Malaysia's KFC (Dec., p. 47)
Association recognized for helping the disabled (Apr., p. 6)
Community foodbanks and other sources (Aug., p. 18)
Open your door to the hard of hearing (Apr., p. 32)
Operators come together on World Food Day—Oct. 16 (Aug., p. 17)
Restaurant benefit nets $350,000 to help AIDS victims (Aug., p. 20)
Restaurateurs help feed the hungry (Aug., p. 14)
1988 association foodservice industry forecast (Dec., p. 21)

State/regional activities and trends
Association fights California labeling requirements (Sept., p. 8)
City (Berkeley, California) opposes takeout foods in containers made with chlorofluorocarbons (Nov., p. 7)
How's Business (Jan.–Dec., p. 45)
Michigan culinary team wins top prizes (J/J, p. 16)
Revelers get a free ride home in Chicago (Feb., p. 47)
1987 state election results (Jan., p. 11)
1988 association foodservice forecast (Dec., p. 21)

Takeout
A look at the competition for takeout sales (Feb., p. 40)
Bennigan's takeout (March, p. 47)

Heat-and-serve haute cuisine (Aug., p. 13)
Inside the takeout market (Feb., p. 37)
Upscale takeout takes off (Aug., p. 10)
2,000 Whoppers to go (Aug., p. 47)

The Show
American Culinary Classic up close (J/J, p. 10)
Developing quality customer service (J/J, p. 14)
International exhibitors are coming back (J/J, p. 19)
Wine list leads from Show (J/J, p. 12)
1987 Show preview (Apr., p. 9)
1987 Show report (J/J, p. 9)

Training
Apprenticeships: Investing in the future (Sept., p. 33)
The Job Training Partnership Act can help meet industry employment needs (Jan., p. 8)
What I learned from stepping back into foodservice (Oct., p. 22)

V

Vegetables
Popularity of fresh produce transforms marketplace (May, p. 43)
See: **Foodservice Trends Index**

Viewpoints
Fixed service charges? (Feb., p. 24)
Open your door to the hard of hearing (Apr., p. 32)
Shorter, smaller wine lists (J/J, p. 27)
Why the minimum wage should not be raised (Aug., p. 8)

Wine
See: **Beverages**

WASHINGTON REPORT INDEX

Association activities
See: **Comprehensive Index**

Billboards
Highway advertising to continue (April, p. 7)

Congress
Board tests legislative, regulatory outlook (Feb., p. 9)
Democrats take control of new Congress (Feb., p. 7)
Fowler speaks to First Thursday Group (Feb., p. 8)
Republicans can regain control of Senate, says Fahrenkopf (Oct., p. 7)

FICA taxes
Chafee calls proposed FICA increase "nonsense" (J/J, p. 7)
Congress takes up FICA tax on tips (Nov., p. 7)
Grisanti testifies on FICA issues before Senate (May, p. 7)
Heinz blasts FICA taxes on tips (March, p. 7)
House panel gives industry key victory on FICA (Aug., p. 7)
President's budget plan includes FICA increase (Feb., p. 7)

Food
Association fights California labeling requirements (Sept., p. 8)
Association protests policy change on grape sulfite levels (Oct., p. 8)
City of Berkeley opposes takeout foods in containers made with chlorofluorocarbons (Nov., p. 7)
Fast food labeling bills reintroduced (Aug., p. 7)
Redfish ban means higher prices (March, p. 8)

Immigration
Draft regulations published for immigration law (March, p. 7)
First penalty levied for immigration infraction (Nov., p. 8)
Immigration enforcement policy relaxed until June 1988 (Aug., p. 9)
Immigration reform law brings new recordkeeping, penalties (Jan., p. 7)
Immigration regulations final by June (May, p. 8)
Immigration law update (Oct., p. 7)
INS releases final immigration regulations (J/J, p. 7)

Labor
Association asks DOL to re-examine TJTC policy (Jan., p. 9)
Bob Juliano gives union perspective on issues (May, p. 9)
Debate begins on parental, medical leave (March, p. 9)
Kennedy introduces health care benefits bill (J/J, p. 8)
High-risk notification bill passes House (Nov., p. 8)
OSHA expands hazard communication standard (Oct., p. 7)
Plant closing notices being considered (April, p. 8)
Plant closings measure approved (Aug., p. 7)
Polygraph ban approved by House committee (Oct., p. 7)
Polygraph use bill before Congress (April, p. 8)
The Job Training Partnership Act can help meet industry employment needs (Jan., p. 8)
See: **Minimum wage**
See: **Tips**

Liability insurance
Risk pooling bill advances in House (Sept., p. 9)

Minimum wage
Congress to consider minimum-wage legislation (March, p. 9)
Grisanti continues fight to fend off minimum-wage hike (J/J, p. 7)
Hearings continue on the minimum wage (Sept., p. 8)
Kennedy, Hawkins unveil minimum-wage legislation (May, p. 7)
Minimum-wage debate gains momentum (April, p. 7)
Why the minimum-wage should not be raised (Aug., p. 9)

Small business
Abdnor confirmed to SBA top post (May, p. 8)
Association testifies before Small Business Committee (April, p. 8)
Small business committees get new chairmen (April, p. 7)

Taxes
Bill introduced to protect taxpayers' rights (Aug., p. 8)
IRS seminars on magnetic media reporting (Oct., p. 8)

Tips
Changes in tip allocation now in effect (Jan., p. 7)
New tips & taxes training video available (Jan., p. 10)
Tip reporting: a reminder (Jan., p. 10)

1987 in review
Legislative, regulatory wrapup (Dec., p. 7)

FOODSERVICE TRENDS INDEX

CONSUMER TRENDS

Consumer behavior
Attitudes toward smoking in restaurants (May, p. 36)
Birthday is top restaurant holiday (Sept., p. 38)
Breakfast business was sluggish in 1986 (Apr., p. 40)
Children: a growing market (Aug., p. 26)
CREST divides upscale segment by check size (May, p. 40)
Dining habits of young adults (Oct., p. 36)
Inside the takeout market (Feb., p. 37)
Market strong for mocktails, wine sales (Aug., p. 41)
Meteoric growth in pizza market (May, p. 38)
New excitement in Italian segment (J/J, p. 36)
The midscale dilemma (Jan., p. 16)
Tracking eating and drinking place sales (Sept., p. 40)
Twenty-five to 34-year-olds (Nov., p. 38)
1988 industry forecast (Dec., p. 21)

Consumption patterns
Beef battles back (Feb., p. 42)
Beer consumption: not for men only (Nov., p. 44)
Breakfast business was sluggish in 1986 (Apr., p. 40)
Children: a growing market (Aug., p. 26)

CREST divides upscale segment by check size (May, p. 40)
Dining habits of young adults (Oct., p. 36)
Inside the takeout market (Feb., p. 37)
Market strong for mocktails, wine sales (Aug., p. 41)
Meteoric growth in pizza market (May, p. 38)
New excitement in Italian segment (J/J, p. 36)
Popularity of fresh produce transforms marketplace (May, p. 43)
Salad, side order highlights (J/J, p. 44)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
Twenty-five to 34-year-olds (Nov., p. 38)
Who drinks what, where (Aug., p. 38)
1988 industry forecast (Dec., p. 21)

CREST (Consumer Reports on Eating Share Trends)
Annual CREST report shows modest growth (March, p. 42)
Breakfast business was sluggish in 1986 (Apr., p. 40)
Children: a growing market (Aug., p. 26)
CREST divides upscale segment by check size (May, p. 40)
CREST report: summer quarter 1986 (Jan., p. 43)
CREST report: fall quarter 1986 (March, p. 43)
CREST report: winter quarter 1987 (J/J, p. 42)
CREST report: spring quarter 1987 (Sept., p. 36)
Dining habits of young adults (Oct., p. 36)
Inside the takeout market (Feb., p. 37)
Meteoric growth in pizza market (May, p. 38)
New excitement in Italian segment (J/J, p. 36)
Salad, side order highlights (J/J, p. 44)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
The midscale dilemma (Jan., p. 16)
Twenty-five to 34-year-olds (Nov., p. 38)

Demographics
Attitudes toward smoking in restaurants (May, p. 36)
Beer consumption: not for men only (Nov., p. 44)
Birthday is top restaurant holiday (Sept., p. 38)
Children: a growing market (Aug., p. 26)
CREST divides upscale segment by check size (May, p. 40)
Dining habits of young adults (Oct., p. 36)
Inside the takeout market (Feb., p. 37)
Market strong for mocktails, wine sales (Aug., p. 41)
New excitement in Italian segment (J/J, p. 36)
Twenty-five to 34-year-olds (Nov., p. 38)
Who drinks what, where (Aug., p. 38)
1988 industry forecast (Dec., p. 21)

INDUSTRY SEGMENTS AND TRENDS

Eating places
Breakfast business was sluggish in 1986 (Apr., p. 40)
Children: a growing market (Aug., p. 26)
CREST divides upscale segment by check size (May, p. 40)
Dining habits of young adults (Oct., p. 36)
Employee turnover (Nov., p. 43)
Franchise sector continues to diversify (March, p. 36)
Inside the takeout market (Feb., p. 37)
Meteoric growth in pizza market (May, p. 38)
New excitement in Italian segment (J/J, p. 36)
Productivity declines in restaurants (Sept., p. 41)
Salad, side order highlights (J/J, p. 44)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
The foodservice industry 1985: a brief review (J/J, p. 38)
The midscale dilemma (Jan., p. 16)
Tracking eating and drinking place sales (Sept., p. 40)
Twenty-five to 34-year-olds (Nov., p. 38)
Who drinks what, where (Aug., p. 38)
1986 restaurant sales up from 1985 (Nov., p. 42)
1988 industry forecast (Dec., p. 21)

Fast food
Breakfast business was sluggish in 1986 (Apr., p. 40)
Children: a growing market (Aug., p. 26)
Dining habits of young adults (Oct., p. 36)
Employee turnover rates (Nov., p. 43)
Franchise sector continues to diversify (March, p. 36)
Inside the takeout market (Feb., p. 37)
Salad, side order highlights (J/J, p. 44)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
The foodservice industry 1985: a brief review (J/J, p. 38)
Twenty-five to 34-year-olds (Nov., p. 38)
Who drinks what, where (Aug., p. 38)
1988 industry forecast (Dec., p. 21)

Foodservice industry
Attitudes toward smoking in restaurants (May, p. 36)
Average chef wage reaches $8.35 (Apr., p. 44)
Employee turnover rates (Nov., p. 43)
Foreign travel to the U.S. is on the upswing (Jan., p. 40)
Franchise sector continues to diversify (March, p. 36)
New data on foodservice labor force (Oct., p. 42)
Productivity declines in restaurants (Sept., p. 41)
The foodservice industry 1985: a brief review (J/J, p. 38)
Tracking eating and drinking place sales (Sept., p. 40)
1986 restaurant sales up from 1985 (Nov., p. 42)
1988 industry forecast (Dec., p. 21)

Menus
Beef battles back (Feb., p. 42)
Beer consumption: not for men only (Nov., p. 44)
Breakfast business was sluggish in 1986 (Apr., p. 40)
Children: a growing market (Aug., p. 26)
CREST divides upscale segment by check size (May, p. 40)
Dining habits of young adults (Oct., p. 36)
Franchise sector continues to diversify (March, p. 36)
Market strong for mocktails, wine sales (Aug., p. 41)
Menu prices are rising (Sept., p. 43)
Meteoric growth in pizza market (May, p. 38)
New excitement in Italian segment (J/J, p. 36)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
Who drinks what, where (Aug., p. 38)
1988 industry forecast (Dec., p. 21)
See: **Menus in Comprehensive Index**

Projections
Franchise sector continues to diversify (March, p. 36)
1988 industry forecast (Dec., p. 21)

States and regions
See: **Comprehensive Index**

ECONOMY AND ECONOMIC INDICATORS

Economy
Average chef wage reaches $8.35 (Apr., p. 44)
Employee turnover (Nov., p. 43)
Menu prices are rising (Sept., p. 43)
New data on foodservice labor force (Oct., p. 42)
Productivity declines in restaurants (Sept., p. 41)
The foodservice industry 1985: a brief review (J/J, p. 38)
Tracking eating and drinking place sales (Sept., p. 40)
1986 restaurant sales up from 1985 (Nov., p. 42)
1988 industry forecast (Dec., p. 21)

Wholesale prices
Menu prices are rising (Sept., p. 43)
Seafood orders drop; quickservice hit hardest (Apr., p. 37)
Wholesale food costs (Oct., p. 41)
1987 outlook for wholesale food costs (Feb., p. 36)
1988 industry forecast (Dec., p. 21)

1987 ASSOCIATION RESEARCH STUDIES

Studies
Beverage Preferences: A Consumer Attitude Survey (Aug., p. 44)
Consumer Behavior and Attitudes Towards Fast Food and Moderately Priced Family-Style Restaurants (May, p. 6)
Franchise Restaurants: A Statistical Appendix to Foodservice Trends (March, p. 41)
Hourly Wage Survey (Apr., p. 44)
Ingredient and Nutrition Information, Guidelines for Providing Facts to Foodservice Patrons (May, p. 6)
Restaurant Industry Operations Report '87 (Sept., p. 6)
The Foodservice Industry 1985: A Brief Review (J/J, p. 39)
1988 Association Foodservice Industry Forecast (Dec., p. 21)

OF PORTUGAL

proof of Christian conviction. In *Porco a Alentejana*, a Portuguese version of surf and turf from the Baixo Alentejo province, pork is marinated in wine and seasonings, then stewed and combined with sweet, thin-shelled clams for a hearty, satisfying entree. Inspired by the combination, White created his own interpretation for an appetizer: a pork rib chop and clams served with a robust garlic sauce on linguine.

White, who has never visited Portugal, has learned about the country's cuisine from fine Portuguese chefs he has worked with and in the small Portuguese restaurants that abound in New England.

Portuguese-American favorites

Many Portuguese who emigrated to the United States settled in New England communities, such as New Bedford and Fall River, Massachusetts, where they found ready work aboard fishing boats or in textile mills. They brought their hearty cuisine with them—from Madeira, the Azores Islands and the mainland.

At small restaurants like Tabacaria Açoreana in Fall River and Cafe Portugal in New Bedford, Portuguese-Americans and adventurous diners find their favorites: *bacalhau* with potatoes, eggs and onions; *carne d'espeto* (marinated, grilled beef "on a spit") and *porco à alentejana.*

As the melancholy *fado* (songs of fate) play softly, waiters bring platters heaped with *ameijoas a bulhão pato*, littleneck clams steamed in beer and their own juices with olive oil, lemon and plenty of garlic. A basket of crusty rolls stands ready for dipping into the zesty sauce.

In dining rooms accented with stucco, tile and wrought iron, diners feel they have been transported to a *tasco* (bistro) in Portugal. The feeling intensifies as the entrees are set before them: *espetada mista*, a mixed skewer of marinated beef, pork loin and spicy linguica sausage or *codornizes à regional*, split sauteed quail, crisp-skinned and delicious in a subtly spiced, mahogany-hued sauce. Typically, these dishes are accompanied by rice pilaf and fried potatoes; Portuguese cooks may serve as many as four starches at a meal. ❑

GREEN SOUP (CALDO VERDE)

Serves 6 to 8

Ingredients:

1 large yellow onion, peeled and minced fine
1 large garlic clove, peeled and minced
4 Tbs. olive oil
6 large Maine or Eastern potatoes, peeled and sliced thin
8 qts. cold water
6 ozs. chourico, chorizo, ling[illegible] pepperoni, or other dry garlicky sausage, sliced thin
2½ tspn. salt (about)
¼ tspn. freshly ground black pepper
1 lb. kale, collards or turnip greens, washed, trimmed of coarse stems and veins, then sliced filament-thin. (Stack 6 to 8 leaves, roll crosswise into a tight roll, then slice with a very sharp knife.)

Method:

Saute onion and garlic in 3 Tbs. of oil in a large, heavy saucepan 2 to 3 minutes over moderate heat until they begin to color and turn glassy; do not brown or they will turn bitter. Add potatoes and saute, stirring constantly, 2 to 3 minutes, until they begin to color also. Add water, cover and boil gently over moderate heat 20 to 25 minutes until potatoes are mushy. Meanwhile, fry sausage in a medium-sized heavy skillet over low heat 10 to 12 minutes until most of the fat has cooked out; drain well and reserve.

When the potatoes are soft, remove pan from stove and with a potato masher, mash potatoes right in the soup mixture. Add sausage, salt and pepper, return to moderate heat, cover and simmer 5 minutes. Add greens and simmer uncovered 5 minutes until tender and the color of jade. Mix in remaining Tbs. of olive oil, and taste soup for salt and pepper. Ladle into large soup plates and serve as a main course with chunks of hearty bread.

SCALLOPS ALGARVE-STYLE (VIEIRAS À MODA DO ALGARVE)

Serves 4

Ingredients:

1 lb. bay scallops
2 medium garlic cloves, peeled and minced
4 tspn. olive oil
1 Tbs. lemon juice
¼ tspn. cayenne pepper
¼ cup freshly minced coriander

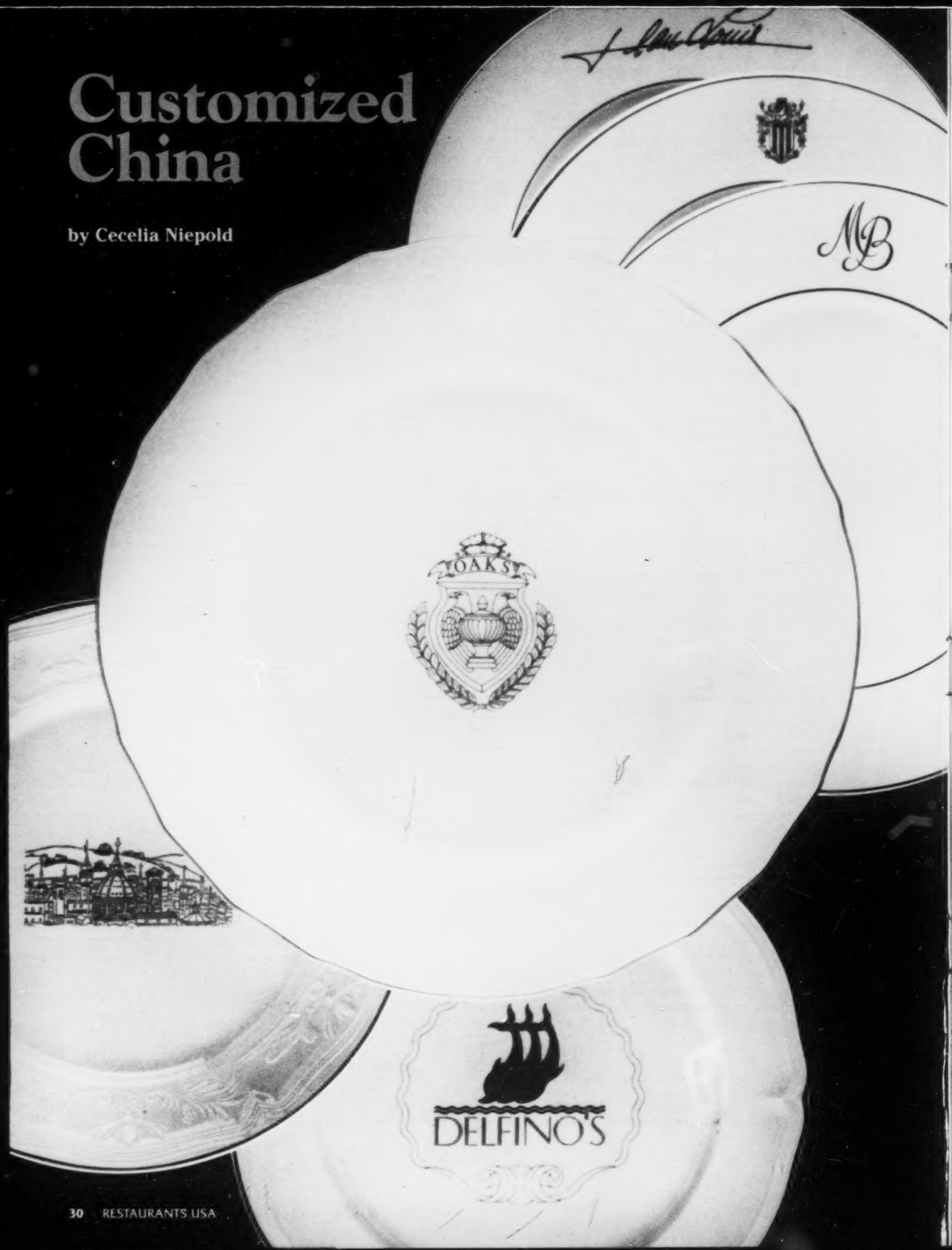
Method:

Stir-fry scallops and garlic in oil in a large, heavy skillet over high heat 3 to 4 minutes—just until they begin to color and have released their juices. With a slotted spoon, lift the scallops to a bowl and reserve. Add lemon juice and cayenne to skillet and boil with scallop juices about 2 minutes, until reduced to a glaze. Return scallops to skillet, together with any juices that may have accumulated in the bowl and toss 1 to 2 minutes over high heat. Add the coriander, toss again and serve.

Max Karl Winkler

Customized China

by Cecelia Niepold


MB
OAKS
DELFINO'S

High in the hills of the rocky Amalfi Coast in southern Italy, Marco Pierro Cantarella is helping faraway American restaurants add a personal touch to their tables. His exports are not delectable Italian edibles, but delicate Italian pieces of pottery. Cantarella, working from logos, menus and sketches shipped to him from the states, designs customized place-settings for restaurants.

The trend toward personalized china is not just affecting small exporters, such as Cantarella, however. China manufacturers much closer to home are noticing the movement as well. "Customized china is a really growing trend," says Richard Walls, product development director at Villeroy & Boch in New York City. "We've created a separate department just to handle it." Buffalo China in Buffalo, New York, has also marked an upswing in custom orders. "It seems to be a reflection of the only major trend we can pinpoint in the china business today—the desire to look different," says Ed Wonder, Buffalo China's director of design.

Irving Mills, executive director of the American Restaurant China Council, Inc. in Sonoma, California, believes that standing out from the crowd is only one factor fueling the growth of customized china. "More and more restaurateurs are beginning to buy china as packaging," explains Mills. "They are starting to think of china as a point-of-purchase display that markets the promise of the whole restaurant."

Restaurant designers, too, are beginning to pay more attention to tableware's place in the overall design of a restaurant. "More designers are moving into the specifications of table tops," explains Walls of Villeroy & Boch. "They are realizing that once patrons sit down, their focus changes—they look at the table. It is as important as the room's decor and furniture."

Different avenues of expression

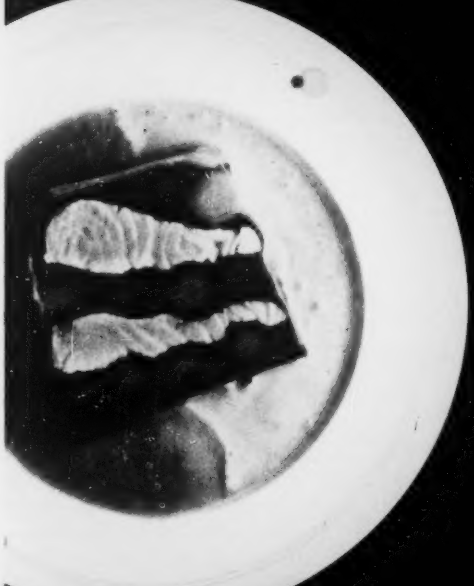
□ **Adapting logo design.** One of the most common ways operators are personalizing their china is by using their logo as a primary design element. They are not just stamping their logo in the center or on the rim of their plates, however. Instead, they are using logos to give plates an unique flavor. For instance, I Tre Merli, a northern Italian restaurant in New York City, uses its logo-emblazoned pottery judiciously. Plates with the restaurant's signature three black birds and bright yellow-and-black stripes are used primarily to showcase house specialties. The restaurant has also commissioned carafes with the logo to highlight its wines, which are produced in Italy specifically for the restaurant. "Because our wine bottles also have the logo on them, the carafes help tie the two together," explains owner Paolo Secondo. The plates, even though not used for every dish, have not been overlooked by patrons. Many customers comment on them, and one patron has even ordered 12 pieces of the I Tre Merli design to use at home.

Although creating an entirely new look can be appealing, a restaurant logo can be incorporated into an existing china pattern. At the Restaurant de la Tour Eiffel in New Orleans, for instance, the owners chose an elegant maroon-and-gray Villeroy & Boch pattern as the basis for their china and added their logo at the top of the plate. The Eiffel Tower logo, surrounded by American and French flags, blends perfectly with the delicate, script border and creates a personalized look.

□ **Complementing design motif.** Other restaurateurs are using their plates as design accents, developing tableware that either complements the overall look of their operation or reflects a particular design element. For instance, when the Willard Hotel in Washington, DC, was undergoing renovation last year, workers discovered the original mosaic tile floor, complete with colorful, elegant "Ws" spread throughout. Believing that the mosaics were crucial to recreating the overall look of the hotel, management restored the floor, and the mosaic "W" pattern was also repeated on the hotel's dining room plates. Edged in gold, the large service plates

The Willard's placesettings recreate the hotel's distinctive, mosaic floor tiles.

Aurora's china echos its swirling "planets" decor.



Cecelia Niepold is managing editor of **Restaurants USA**.

Working in his studio in Ravello, Italy, Marco Pierro Cantarella puts the finishing touches on tableware for I Tre Merli.

contain the red-and-pink, old English-looking "W" surrounded by two green-leafed branches and a yellow background. The entire design has an almost "cracked" look to emulate the tile floors. The customized plates are the only other representation of the striking floor pattern in the restaurant.

When Milton Glazier, well-known graphic designer, helped design the Aurora restaurant in New York City, he also incorporated the tableware into the overall design theme. Because a major design element in the restaurant is the almost Saturn-looking planets dotting the ceiling and carpet, Glazier extended that look to the plates. The pastel-colored planets swirl around the edge of the plates in shades of mauve, sea foam green, peach and turquoise.

□ **Echoing theme.** Customized plates are also being used to personify restaurants' culinary themes. Les Saisons, the fine-dining room in the new Fairmont Hotel in San Jose, California, for instance, extended its seasonal theme to its tableware. Five different patterns were created for the restaurant, one for each season and one for the service plate which incorporates all the seasonal elements into one design. Explains designer Richard Walls: "The company wanted us to create a design that would showcase each item differently during the four seasons." The artwork circles the plates' rims and is very simple, from delicate pink and yellow flowers for the spring tableware to rust, red and brown leaves and acorns for the fall plates.

□ **Creating graphic treatments.** Some restaurants are going one step further and creating plate designs that are individualized, imaginative graphic designs. They may not necessarily reflect a logo, decor or theme because the goal is simply to offer customers an unusual plate that makes a statement.

Lee and Larry LeRuth, co-owners/chefs of LeRuth's in New Orleans, thought long and hard about how they could communicate their restaurant through their plates in a different way. They finally decided that because they played such a large role in the restaurant, what could be more appropriate than a picture of themselves on the plates? Consequently, the black-and-white service plates feature the brothers coming out of the door of the restaurant along with an almost floating glass of wine tipped toward the viewer. Concentric platinum rings surround the art, giving the plate an almost surreal look. "We wanted the plates to have a welcoming look, to say, 'come visit LeRuth's,'" explains Lee LeRuth. The plates seem to be succeeding. "Most people like them and comment about the design," says LeRuth. "We sell about one or two a month to interested patrons."

A few cautions

Because customized china can be expensive and also take longer to produce, there are some factors to consider before ordering new place-settings. First of all, you must think about how you are going to use customized china. As Richard Walls of Villeroy & Boch says, "No matter how beautiful china is, it is still equipment and has to be functional." Factors to think about are how much wear and tear the china will experience, how durable it must be and how it will be stacked. Stacking is particularly important because designs can be scratched if plates rub too closely together.

As a result, many restaurants are using customized china as show plates, presenting them on the table, but not actually serving food on them. That way, they can produce spectacular designs and not worry as much about the plates getting ruined or broken.

Another factor to consider is how the china design will work with entree presentations. "Plates and food should be considered together, they go hand in hand," reminds Irving Mills. If you want simple serving plates, but also want to create a memorable tablesetting, perhaps choosing two complementary patterns would work best. One to make a statement when customers are first seated, and the other to echo the first plate in a more simple way.

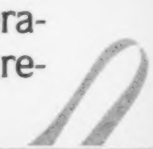
In sum

As restaurateurs increasingly look for ways to individualize their restaurants, customized china may become even more popular. ❑

LEADERS OF LEARNING

FIVE WAYS TO HELP CUSTOMERS HELP THEMSELVES AT SELF-SERVE COUNTERS

Utensils disappearing into food tubs and foods spilling on counters or sticking to serving utensils are commonplace problems self-serve operations can avoid. All it takes is rethinking the counter setup, the service required and the way to tell customers about policies and procedures.



by Robert Sommer and Maria Rotter

For restaurants across the country, this is the self-service decade. The past 10 years have brought an abundance of salad bars, potato bars, hamburger bars, buffet brunches, country barbecues, pasta and burrito bars, ice cream sundae bars, smorgasbord restaurants and seafood buffets. The self-serve concept is not new, of course. There is ample precedent in the smorgasbord and buffet. What is new is its spread to many different types of restaurants and settings, and the enormous variety of foods offered.

For the past three years, we have studied consumer behavior in self-serve restaurants. During our research, we identified problems in relation to food type, equipment and utensils, supervision, signs and instructions and need for prompt action. These points are covered here.

Robert Sommer is professor and director of the Center of Consumer Research at the University of California at Davis, and Maria Rotter is research associate at Tragon Corporation, a food marketing firm in Redwood City, California

1 **Food type.** We found that some foods are suitable for self-serve under most conditions, others are suitable if their special characteristics are recognized and a few foods seem unsuitable for self-serve under most circumstances. Hot, stringy cheese is an item to avoid. In our studies we found it prevented easy retrieval of pizza slices and, when used as a cheese sauce, caused tortilla and taco shells to stick together. Spaghetti can be a difficult item to retrieve under the best conditions, i.e., at home with the plate set down on the table, two utensils and plenty of time. In a crowded line with people waiting, a single utensil and no ledge on which to set down plates, we found it was a disaster. But when an employee served the spaghetti and the customers added self-serve sauces, problems were avoided.

Certain viscous items, such as sour cream, refried beans and mashed potatoes, have a tendency to adhere to serving spoons. These difficulties increased the likelihood of hand retrieval, spillage or borrowing a second utensil from an adjacent tub.

Our observations of refried bean problems resulted in an accidental discovery. Beans in one restaurant were lukewarm, and customers had great difficulty in removing them from the serving spoon, banging the spoon on the counter and sometimes using fingers. In another outlet of the same chain the problems did not exist because the beans were bubbly hot and came off the spoon easily.

2 **Equipment and utensils.** Most food shields are well-designed and caused no problems. In a few restaurants poorly designed food shields obscured visibility and were responsible for frequent spills.

Utensils were not always tailored to the specific food offered, and often a single model spoon was inappropriately used for all food items. For example, we observed that some plastic spoons, which worked well with lettuce, tomatoes and many other salad bar condiments, became virtual magnets for grated cheese.

Some of the published recommendations for salad bar layout based strictly on cost considerations appear short-sighted. Among these, we would include calls for distant high-sided containers and small utensils for expensive items, and cheese blocks which make it difficult for customers to obtain large portions. Trying to retrieve an item such as olives from a remote high-sided container with an undesigned spoon is a sure prescription for spillage, which means undesirable aesthetics, increased labor costs in cleanup and wasted food. Oversized utensils also can cause spills and can result in customers returning excess portions from their plates back into trays.

Our observations raised serious questions about the appropriateness of young children serving themselves at counters with equipment designed for adults. It is one thing for a parent to serve a child in line and another for young children to be turned loose to forage for themselves. During our research, we did not come across a single food counter sign indicating a minimum age or height requirement.

3 **Supervision.** A self-serve counter cannot be expected to run itself. Problems are inevitable when supervision is lax. Employees must realize the effects of their conduct on customers. If they touch food with their hands, customers may be encouraged to do likewise. Many of the procedures used backstage in the kitchen need to be revamped when performed in public view.

Employees cannot regulate their inspections of the counter strictly by the clock, emerging every 20 minutes to check if refills are needed. This strategy is not appropriate in a situation where spoons can mysteriously disappear into tubs and spills are a possibility. A utensil missing for 15 minutes during peak hours can be a mini-disaster, slowing down the serving line and causing utensils to be shared among tubs or worse—food retrieved with fingers.

Spills are inevitable and mess begets mess. If spills are not cleaned up promptly, customers become careless about their own behavior. The best self-service restaurant we came across always had at least one employee behind the counter (although customers helped themselves), and the manager appeared frequently to see that things ran smoothly.

4 **Signs and labels.** It is very important to label salad dressings. Ranch and blue cheese, for example, look so much alike that some customers will taste them with their fingers before putting them on the salad if they don't know which is which.

When equipment is used at the self-serve counter that may be unfamiliar to customers, such as soft ice cream machines or pump dispensers for dessert toppings, steps should be taken to make usage easier. For example, because the location of the release mechanism for the ice machine may not be obvious, it should be marked.

For some items, personal experience in home settings may be counterproductive at a self-service counter. Carrot sticks, cherry tomatoes and celery sticks are typically finger foods at home. Signs in a restaurant can remind customers to use utensils. No guest in a private home would request a new plate for seconds, yet health regulations in many communities require this. It is not surprising that this rule is typically disregarded. Posted signs will also make it much easier for employees to enforce health regulations.

5 **Need for prompt action.** Little problems are likely to become big problems and aesthetic problems to become health problems if not solved quickly. A missing utensil is a small matter not uncommon at a large self-serve counter. Typically, it is the result of a spoon sliding into the food tray or being borrowed by customers for use in adjacent tubs. Missing or messy utensils will encourage hand retrieval of food. For 45 minutes we observed customers in a pizza bar retrieving garlic bread by hand because there were no tongs.

Metal utensils placed under infrared lights become hot. This will come as a rude surprise to customers. Secondary results can be dropped utensils and food retrieved by hand, both of which have health implications.

In conclusion

These are illustrations of problems that begin as matters of aesthetics but have the potential to become health problems. ❑

Wellness programs—new direction for U.S. health care?

Employees in the U.S. Senate are doing it, and so are cafeteria workers, residents of New Mexico, assembly line workers and labor union members. What these diverse groups are doing is participating in wellness programs. And the result has been increased morale and productivity, decreased turnover and absenteeism, and lower medical costs.

Wellness programs are a fringe benefit of the 1980s. Their goals are to prevent disease development and promote good health. Unlike other health programs that go into effect once an individual develops a chronic or debilitating disease, wellness programs intervene in healthy populations to reduce or eliminate the risk factors that eventually compromise health or result in premature death. These programs usually concentrate on behavior modification associated with smoking, stress management, diet and fitness.

The wellness approach to health care is growing, and the biggest reason why is that it pays. Three of the four leading causes of death in the United States are lifestyle-related, and it is estimated that a comprehensive national health promotion system could save more than $1 billion in health care expenditures, not only by keeping patients healthy, but also by instilling a sense of self-care that could result in fewer unnecessary visits to doctors' offices.

HEALTHY
SERVERS
HAVE
HEALTHY
SALES

Types of programs

Because wellness programs are a relatively new concept, they vary greatly in scope and size. Some are motivational in nature, consisting of lectures and printed materials, while others include extensive physical evaluations, fitness facilities and access to a comprehensive staff that includes physicians, exercise physiologists and nutritionists. Regardless of the differences, however, the objective remains the same—to keep participants well. And most wellness programs focus on the same general issues—nutrition and weight control; exercise and physical fitness, combatting cigarette smoking, alcohol abuse and drug abuse; and stress reduction/modification.

The types of programs depend on sponsorship or location. Wellness plans are run by private corporations, sponsored by employers or provided by a community. Employers offering wellness program participation either turn to health clubs or develop an in-house wellness center. These programs can offer comprehensive services, including fitness facilities, physicals and diet counseling, or they can simply screen employees for heart disease.

Employees benefit from these programs, but so do the providers. In addition to the financial and productive benefits, worksite wellness programs generate a positive corporate image in the business arena, in the community, for visitors and for prospective employees, which can make recruitment easier.

Motivated individuals whose employers do not sponsor wellness programs have other opportunities to join wellness plans. Private plans developed through medical centers, hospitals or health clubs offer a wide range of services on a fee basis. More community-based programs are cropping up across the country. Local municipalities or community organizations are developing "self help" wellness activities for local citizens.

Implications for operators

The impact of wellness programs may be felt by foodservice operators in several ways. As employers, they can implement a wellness program as an employee benefit. Of course, the size and scope will depend on the restaurateur's resources. Free blood pressure screening or subsidization of health club memberships may be appropriate. If space is available on-premises, exercise classes could be offered a few times weekly, led by an aerobic instructor or a qualified staff member.

Managers of corporate foodservice facilities may be asked to participate in the company-sponsored wellness program. Some have added low sodium cheese and other salt-free seasonings to their salad bars. Others have modified selections to comply with U.S. Dietary Guidelines or posted the caloric and sodium content of their cafeteria foods.

Independent operators, too, can become involved by working with a private or community-based wellness program. These groups are often staff dietitians who are willing to work with restaurateurs to identify menu items appropriate for program participants. A Denver-based private wellness center initiated a restaurant component as the number of "alumni," who frequently dine out, swelled. The program's dietitians developed restaurant guidelines and worked with local operators to incorporate approved foods on the menu.

—Claire Regan, R.D.

BOARDROOM

President Ford addresses Board

One of the highlights of the Winter Board meeting, held January 16-20, was a discussion of the need for congressional reform by President Gerald Ford at a meeting honoring key association political action committee (PAC) donors and the PAC advisory committee and trustees.

After being introduced by PAC Chairman Ralph Brennan (Mr. B's and Commander's Palace; New Orleans, LA) and association President Michael Grisanti (Grisanti, Inc.; Louisville, KY), Ford emphasized the importance of congressional reform. "The need for congressional reform tells us we are not being well-served by a Congress that is too bogged down in its own details, to get the job done right," said Ford. "If you as restaurant operators ran your businesses as poorly as Congress manages the federal budget, you would all be out of business," he continued.

President Ford also emphasized the importance of grassroots political involvement. "Your involvement as independent businessmen in efforts like your political action committee will do a lot to change the bleak picture of the federal legislature right now," maintained Ford.

Besides discussing politics, Ford proudly recounted his early career as a dishwasher, chef and counter operator.

Former President Gerald Ford discusses the need for congressional reform at Board meeting.

Association directors meet with Mexican restaurant association

National Restaurant Association Directors Jackie B. Trujillo (Harman Management Corporation; Los Altos, CA), and Florence P. Jaramillo (Restaraunte Rancho de Chimayo; Chimayo, NM), recently attended a meeting of the Association Mexicana de Restaurantes (AMR) A.C. in Mexico City, Mexico, to discuss ways in which the two associations could work together to strengthen foodservice in both countries.

Association Directors Jackie B. Trujillo (second from left) and Florence P. Jaramillo (second from right) with incoming AMR president Jorge Fernandez (far left) and outgoing AMR president Joaquin Vargas (far right).

NAFEM honors Grisanti

National Restaurant Association Chairman of the Board and President Michael J. Grisanti was recently honored by the National Association of Food Equipment Manufacturers (NAFEM) as a recipient of the Doctorate of Food Service medallion, awarded in recognition of outstanding industry professionalism.

Conti elected CIA chairman of the board

Walter Conti, chairman of Conti Cross Keys Inn, Doylestown, Pennsylvania, and past president of the National Restaurant Association, has been elected to a one-year term as chairman of the board of the Culinary Institute of America (CIA).

Conti has served as a trustee of the institute since 1984 and is a past president of Pennsylvania State University's Board of Trustees. In 1982 he was recognized as the Hospitality Executive of the Year by the Penn State Hotel and Restaurant Society, and in 1983 he received IFMA's coveted Silver and Gold Plate Award.

In addition to the presidency of the National Restaurant Association, an office he held in 1981, Conti is a past president of the Pennsylvania Restaurant Association.

Other National Restaurant Association board members elected to the Culinary Institute's board of trustees include: association treasurer Harris "Bud" Rusitzky, Serv-Rite Food Service Consulting Corp., elected for a three-year term as trustee emeritus; and association honorary director H. Jerome "Jerry" Berns, 21 Club, Inc., elected to a life term as trustee emeritus.

—Anne Papa

Restaurant advertising on the rise

In a 1987 National Restaurant Association Gallup survey, managers from various types of restaurants were asked what forms of advertising or promotions they employed and to what extent.

In recent years, advertising has become increasingly important to restaurants as operators turn to marketing-oriented growth strategies to increase their market share. The result has been a dramatic growth in restaurant advertising dollars—up 170 percent over the last 10 years, according to Leading National Advertisers.

Advertising budgets to continue to increase

The increased usage of advertising and promotion appears likely to continue based on the results of a 1987 National Restaurant Association Gallup survey. Approximately one-quarter of all restaurants polled expect to increase their advertising and promotion budgets in 1988, with more than 12 percent planning a spending increase of 6 percent or more.

Tempering this increase, the majority of establishments, 58 percent, plan no change in their advertising and promotion budgets. This suggests that many restaurateurs are cautious about advertising outlays. Still, by a margin of 25 to 4 percent, more restaurants expect budget increases than decreases.

The restaurants that plan to expand their advertising and promotional budgets tend to be chains, fast food places and establishments with high average daily customer counts—the same types of restaurants that are most likely to advertise in the first place. More than 40 percent of the chain/franchised independent restaurants are planning advertising budget increases for 1988, compared to only 21 percent of the independents. Independent restaurants are also more likely than chains to hold their budgets steady, by a margin of 63 to 41 percent.

Newspapers most popular form of advertising

Of the restaurant managers polled in the association's Gallup survey, 70 percent used newspapers to promote their establishments, and nearly 30 percent did so on a regular basis, making this communications medium the most popular form of restaurant advertising. The next most popular form of restaurant advertising in 1987 was the sponsorship of a community event: Just less than 60 percent of the survey respondents promoted their operations in this manner. Eighteen percent sponsored community events regularly.

The next most popular forms of restaurant advertising were sponsorship of a team, radio ads and handouts and fliers. Forty-eight percent of all restaurants surveyed sponsored a team in the past year. Radio advertising and the use of handouts or fliers followed closely behind. Sponsorships of teams and community events had the same percentage of regular users; community event sponsorship, however, drew a greater percentage of occasional users.

The least-used form of advertising was television, not a surprise considering its high cost. Magazine advertising and direct mail, which include mailings of coupons, newsletters and mini-menus, were also less popular forms of advertising. Less than 25 percent of the managers polled reported having used these methods.

Billboard or outdoor advertising is the only reported promotional method that has similar percentages of regular and occasional users. Overall, 28 percent of the respondents made use of outdoor advertising.

Who uses what

Certain types of establishments tend to employ certain types of advertising. Generally, average per-person check size, daily customer count, structure of ownership and type of restaurant are related to the types of advertising used regularly. Newspaper advertising, for example, tends to be used more often by chains, non-fast food operations, especially fine dining restaurants, and restaurants with higher daily customer counts. Also, dining spots with average per-person checks of more than $8 are more likely to use newspapers regularly than are other types of restaurants. Still, it is important to note that newspaper advertising ranks first among all types of restaurants.

Among regular users of sponsorships, whether of teams or of community

Use of advertising by all restaurant managers

Newspapers are the most popular form of advertising for restaurants

Type of advertising	**Total percent using**	**Used regularly**	**Used occasionally**	**Not used at all**
Newspapers	70%	29%	41%	29%
Sponsorship of community events	59	18	41	40
Sponsorship of teams	48	18	30	51
Radio	43	14	29	56
Handouts/fliers	42	15	27	57
Restaurant guides	33	11	22	65
Outdoor advertising	28	15	13	71
Direct mail	24	8	16	75
Magazines	21	4	17	78
Television	16	5	11	83

Source: National Restaurant Association Gallup survey, 1987

Types of advertising used regularly

Advertising methods vary by restaurant type and average check size

	Ownership			Restaurant type		Average check size		
	Total percent using	Chains/ franchised independents	Inde- pendents	Fast food	Non- fast food	Under $5.00	$5.00- $7.99	$8.00 or more
Newspapers	29%	44%	25%	22%	32%	26%	30%	43%
Sponsorship of community events	18	19	17	15	19	21	15	21
Sponsorship of teams	18	13	19	16	19	18	20	21
Handouts/fliers	15	28	11	22	11	18	13	13
Outdoor advertising	15	24	13	14	16	18	20	14
Radio	14	31	10	19	12	18	15	14
Restaurant guides	11	8	13	4	14	5	11	21
Direct mail	8	19	5	13	6	7	9	9
Television	5	18	2	8	4	7	7	6
Magazines	4	2	5	2	5	2	3	10

Source: National Restaurant Association Gallup survey, 1987

events, no particular differentiation by restaurant type is apparent. Operations with higher daily customer counts, however, tend to sponsor community events to a greater degree than do those with lower traffic volumes. In addition, independents are more likely than chains to sponsor teams, possibly reflecting the closer ties these operations have to their communities. Handouts, direct mail, radio and television ads are used most by chains and fast food restaurants on a regular basis. In fact, the percentage of chains regularly using radio advertising was three times that for independents. The proportion of chains using direct mail regularly was nearly 20 percent, compared to 5 percent for independents, and television was used by 18 percent of chain operations versus 2 percent of the independents.

In contrast, restaurant guides and magazine advertising are more likely to be used on a regular basis by independents, non-fast food establishments and more expensive establishments. Among the fine dining restaurants polled, restaurant guides were the second most regularly used promotional vehicle. The percentage of fine dining operations that were regular advertisers in magazines was three times the average for all restaurants. This pattern is also seen in the percentage of higher versus lower-check restaurants that use magazines to promote their establishments: Just 2 percent of the restaurants with average per person checks of under $5 used magazine ads compared to 10 percent of eating places with a check size of $8 or more.

Projected change in advertising/promotion budgets for 1988 compared to 1987

Most managers don't forsee changing their advertising/promotion budgets in 1988

	Percent of all managers
Increase more than 10 percent	5%
Increase 6 to 10 percent	7
Increase up to 5 percent	13
No change	58
Decrease up to 5 percent	2
Decrease more than 5 percent	2
Don't know	13

Source: National Restaurant Association Gallup survey, 1987

In large part, these differences in advertising approaches reflect differing objectives. While chain and fast food places may have many units in a large market area and cut across wide demographic lines, midscale and upscale independents tend to be more interested in specific markets. The result is that many higher-check, independent restaurants shun the more broadly targeting advertising vehicles, opting instead for promotional activities geared specifically toward their customer base.

For upscale establishments, these advertising approaches include newspapers, restaurant guides and sponsorships. Chain restaurants and fast food establishments employ advertising and promotional activities that will reach larger audiences, namely radio and television. In addition, chain operations are often in a better financial position to afford television.

Promotions on the rise

Promotions, which include price discounts, two-for-one offers and special events, are frequently a part of advertising campaigns, whether in the form of a printed coupon in the newspaper or a special offer announced over the radio. And along with restaurant advertising, use of promotional offers has become an integral part of foodservice marketing strategies. From 1976 to mid-1987, the percent of eater occasions on which a promotion was used jumped from 6 to 15 percent, according to CREST data. This increase has occurred across all restaurant segments.

Promotions are used differently within each restaurant segment. Promotions were used on 25 percent of all occasions at quickservice pizza places during an average two-week period between June 1986 and May 1987. Quickservice sandwich and chicken operations used promotions almost as often. In contrast, promotions were used on only 5 percent of the eater occasions at quickservice Asian restaurants.

Midscale restaurants experienced less variation, generally using promotions on 7 to 11 percent of all occasions. Family steak places, however, experienced usage of nearly 25 percent during an average two-week period between June 1986 and May 1987. This may reflect these operations' attempts to increase traffic and attract new customers in the wake of widespread renovations and menu repositioning.

Upscale restaurants, like midscale operations, show less variation in the use of promotions, averaging between a 7 and 12 percent rate.

Promotion and advertising setting new pace

Based upon their objectives, restaurants can employ a variety of advertising and promotional methods, from direct mail to magazines to sponsorship of community events. As competitors increasingly advertise their establishments, the pressure will build to respond in kind.

—Laurence Greenberg

Spotlight on soup and sandwich orders in 1986

When it comes to restaurant orders, soups and sandwiches are not the duo they appear to be in everyday parlance. In 1986 soup was ordered on only 3.7 percent of eater occasions, while more than 33 percent of restaurant occasions involved a sandwich. Still, there is a market for soup, especially at restaurants that cater to older customers or at midscale and upscale operations.

Sandwich orders by type, 1986

Hamburgers and cheeseburgers are the most popular sandwich choice

	Percent
Hamburger/cheeseburger	56%
Roast beef	6
Hot dog	6
Hero/submarine	6
Fried fish	5
Chicken	5
Ham and cheese	2
Steak	2
Club/BLT	2
All others	10

Source: NPD CREST, 1986

Although the majority of tableservice menus include at least one soup selection, CREST data indicate that soup is not part of very many meals at restaurants. Overall, soup was ordered on only 3.7 percent of eater occasions in 1986. Furthermore, the number of occasions on which soup was ordered actually declined by more than 4 percent from 1984 to 1986.

Where is soup consumed?

Soup is uncommon at quickservice restaurants. Fewer than one percent of occasions at quickservice restaurants include soup. Still, it is worth noting that soup orders were up more than 15 percent from 1984 to 1986, compared to a 9 percent increase in total quickservice traffic.

Soup is much more commonplace at midscale and upscale restaurants where it was ordered on 8 percent and 13 percent of occasions, respectively. In 1986 more than half of all soup orders were consumed at midscale restaurants, compared to 28 percent at upscale places and 14 percent at quickservice operations.

Soup is most popular at Asian restaurants whether they are quickservice, midscale or upscale. On quickservice Asian occasions soup is included nearly 10 percent of the time, and 31 percent of occasions at higher check upscale Asian restaurants include soup.

Who orders soup?

Interest in soup is strongest among older consumers, a group that many restaurateurs are looking at more closely because they have the most discretionary spending power.

Although they accounted for only 22 percent of total customer traffic, consumers who are 55 years old and older were responsible for 42 percent of soup orders in 1986, according to CREST data. Children, teens and young adults, on the other hand, are unlikely to order soup. Consumers under 25 years of age accounted for 27 percent of total customer traffic, but

Percent of soup orders versus total occasions by age, 1986

Older consumers are most likely to order soup

Age	Percent of soup orders	Percent of eater occasions
Under 6 years old	1%	7%
6–17 years old	5	12
18–24 years old	4	8
25–34 years old	17	22
35–44 years old	16	17
45–54 years old	15	12
55–64 years old	18	11
65–74 years old	17	8
75 years old and over	7	3

Source: National Restaurant Association CREST Survey, 1987

less than 10 percent of soup orders.

Sandwiches, a lunchtime favorite

In contrast to the limited interest in soup, more than one-third of all restaurant occasions involve a sandwich. Not surprisingly, sandwiches are especially popular at lunch. In 1986 they were ordered on 53 percent of lunch occasions, 31 percent of dinner occasions and 11 percent of snack occasions. Breakfast sandwiches were ordered on 24 percent of all morning meal occasions.

Although sandwiches are ordered on more than half of all lunch occasions, it is worth noting that their order frequency at lunch has declined slightly since 1982. There has been a decline in the percent of occasions on which sandwiches are ordered at supper and snacks as well.

Breakfast sandwiches are running contrary to the downward trend. The percent of breakfast occasions on which sandwiches were ordered rose from 13 percent in 1982 to 24 percent in 1986. Part of the reason for the increase is due to the variety of breakfast muffin, biscuit and croissant sandwiches many chains introduced during this time period.

Sandwich order patterns vary by segment

In 1986 nearly 80 percent of all sandwich orders occurred at quickservice restaurants, compared to 17 percent at midscale and 3 percent at upscale places. However, as they introduce alternatives, quickservice restaurants are finding that the proportion of occasions on which sandwiches are ordered is declining—from 45 percent of occasions in 1982 to slightly below 40 percent in 1986. The same pattern is repeated at midscale places, but sandwich orders, although relatively infrequent, are holding their own at upscale places.

Hamburgers still on top

Hamburgers are still, by far, the leading sandwich choice. Of all sandwich orders in 1986, 56 percent were hamburgers or cheeseburgers—up slightly from 1982. The burger without cheese has a slight edge, accounting for 54 percent of all hamburger orders. The hamburger/cheeseburger segment's closest competitors, each with 6 percent of sandwich orders, were roast beef, hot dogs and heroes/submarines. Fried fish and chicken sandwiches followed closely, each with 5 percent of orders.

Most of the hamburger and chicken sandwich orders were placed at quickservice establishments, which captured 88 percent and 87 percent shares, respectively. In contrast, quickservice restaurants are responsible for less than half of all orders for steak, BLT and club sandwiches.

Kids favor hot dogs, hamburgers

Although children and teens up to 17 years of age account for less than 20 percent of customer traffic, they make their preference for hot dogs and hamburgers known by placing 29 percent and 26 percent of the orders for these menu items, respectively. Hamburgers rank first with older consumers, too, but these mature patrons are more likely than younger ones to order other kinds of sandwiches. *—Susan Mills*

Competition report:

Convenience store update

The National Restaurant Association forecasts that retail host restaurant sales will approach $9 billion in 1988—up a dramatic 7.8 percent in inflation-adjusted dollars from 1987. This represents a 4.2 percent share of the industry's total foodservice sales, a substantial gain from 2.7 percent just eight years ago.

Foodservice sales at retail host restaurants* in department stores, drug stores, food stores and other establishments have climbed steadily throughout this decade. In 1980, these retail host establishments garnered 2.7 percent of total foodservice industry's sales. By 1987, their percentage grew to 4.2 percent.

The continued strong growth of this sector is due primarily to increased foodservice sales at convenience stores and supermarkets. As Michael J. Grisanti, Chairman of the Board and President of the National Restaurant Association, noted at the association's 1988 Economic Forecast press conference in New York: "Convenience stores are cutting into our business and raising our sales figures at the same time."

The convenience store industry has expanded rapidly in recent years. According to the National Association of Convenience Stores, the number of convenience stores** increased to 64,000 in 1986—up 25 percent since 1982. During the same time period, total convenience store industry sales advanced to $53.9 billion—up more than 50 percent from the sales level recorded in 1982 of $35.9 billion.

Recently, the convenience store sector began testing new business relationships to attract more customers. Some convenience store operators are joining with fast food chains in joint ventures, while others are expanding their own foodservice offerings. At the same time some convenience stores have entered into agreements with major oil retailers. The end result is a blurring of the traditional lines

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**The National Restaurant Association definition of retail host restaurants includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers. Since the Census Bureau does not define "convenience store," association estimates of foodservice sales by these establishments are reflected in grocery store restaurants and gasoline service station foodservice.*

***The National Association of Convenience Stores defines a convenience store as having a building size of 1,000 to 3,200 square feet with a suitable parking area for customers and an extensive product mix, including dairy products and frozen food.*

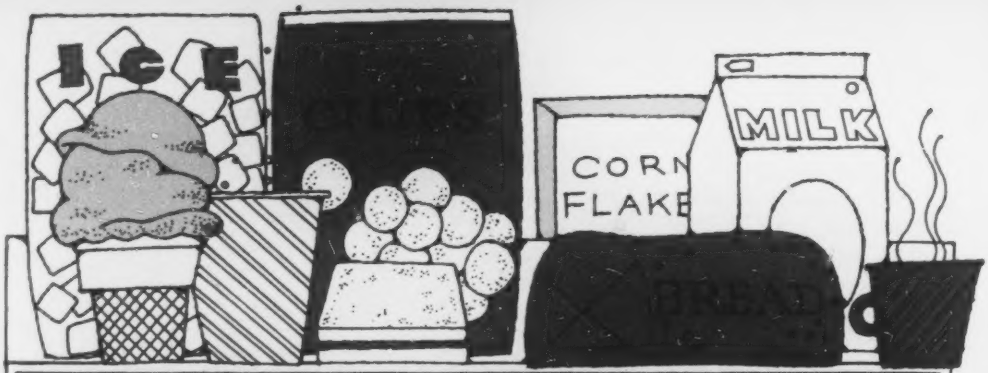
among convenience stores, fast food restaurants and gasoline stations as convenience stores expand in several directions.

Total convenience industry sales over $50 billion

Consumers spent almost $54 billion in 1986 at the nation's 64,000 convenience stores, according to the National Association of Convenience Stores. Of this amount, one out of every three dollars was spent on gasoline. Gasoline sales in 1986 totaled $17.9 billion and accounted for a significant 33 percent of total convenience store revenues. In comparison, convenience store industry sales totaled $35.9 billion in 1982, including gasoline sales of $12.2 billion.

In 1986, the convenience store industry's gasoline sales declined by 1.6 percent from 1985. However, the industry has experienced an increase in the total percentage of convenience stores which sell gas. In 1982, 46 percent of convenience stores sold gas while in 1986, 60 percent did so. Even though the average price of a gallon of gas has fluctuated, more convenience stores are selling gas now since the average margin per gallon has increased steadily since 1983.

Total in-store sales at convenience stores, which exclude gasoline but include sales of items such as cigarettes, alcoholic beverages, soft drinks and fast food, grew at an average annual rate of 13 percent between 1982 and 1986. The National Association of Convenience Stores reports that in-store sales totaled $36.0 billion in 1986, compared to $23.7 billion in 1982.



Retail host restaurant sales

Retail host restaurants have been steadily increasing their share of the foodservice industry's food and drink sales*

Year	Food and drink sales for retail host establishments ($000)	Percent of total foodservice industry food and drink sales
1980	$3,263,548	2.7%
1982	4,108,382	2.9
1984	5,394,529	3.3
1986	7,084,721	3.8
1988**	8,906,822	4.2

Within the retail host category, the rapid foodservice sales growth of gasoline service station restaurants and grocery store restaurants reflects the growing importance of convenience stores

Year	Gasoline service station food and drink sales ($000)	Percent increase over previous year	Grocery store restaurant food and drink sales ($000)	Percent increase over previous year
1980	$ 491,767	—	$ 830,328	—
1981	597,989	21.6%	1,032,098	24.3%
1982	711,541	19.0	1,257,180	21.8
1983	860,253	20.9	1,553,874	23.6
1984	1,047,788	21.8	1,954,774	25.8
1985	1,290,875	23.2	2,465,722	26.1

** Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants, and miscellaneous retailers.*

*** Projected*

Source: National Restaurant Association

Convenience store sales structure

Although gasoline accounts for the largest share of total convenience store sales, fast food is becoming increasingly important to the industry's revenues.

In 1986, according to the National Association of Convenience Stores, room-temperature items excluding gas, such as tobacco, groceries, candy, snacks and bread, were responsible for 49.5 percent of convenience store non-gas sales. Cooler products, which include beer, soft drinks and milk, captured one out of every three non-gas dollars spent in a convenience store in 1986.

The next largest product category at convenience stores in 1986 was fast food, producing more than 14 percent of non-gas sales for the year, compared to a smaller 9 percent share in 1983. Frozen items, such as ice and ice cream, claimed a 3.1 percent share of sales in 1986.

Fast food sales jump

Based on information from the National Association of Convenience Stores, fast food*** sales at convenience stores exceeded $5 billion in 1986, a dramatic

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****Includes both fresh and frozen sandwiches, deli services, food cooked on-site, fountain drinks, frozen beverages, hot beverages and other fast food.*

19 percent increase over 1985's level. Fountain drinks represented the largest contribution (25 percent) to the total convenience store industry fast food sales, reaching almost $1.3 billion in 1986. Deli services ranked second (23 percent), approaching $1.2 billion. Hot beverage sales totaled $972 million, and sandwich sales, both fresh and frozen, came in at $936 million.

The hot beverage category exhibited the largest growth of all fast food sales at convenience stores between 1985 and 1986—up 83 percent. In addition to hot beverages, fountain drinks and food cooked on-site exhibited robust growth rates. Fountain drink sales at convenience stores rose by more than 50 percent in 1986. Of particular interest to foodservice operators, the sales of fast food cooked on-site at convenience stores increased by 44 percent in 1986 to reach $144 million, and total sales of fresh and frozen sandwiches decreased by 9 percent.

Prepared food offerings up

The number of convenience stores offering consumers some type of prepared food jumped dramatically between 1984 and 1986. In 1986, 73 percent of the convenience stores surveyed by the National Association of Convenience Stores offered prepared foods, up from 42 percent in 1984. In addition, the number of convenience stores with service delis also increased, as did the popularity of on-premises bakeries. In 1986, 5 percent of convenience stores indicated that a bakery existed on-site.

Microwave ovens and fountain drinks were prominent at convenience stores in 1986. Both of these categories registered gains for 1986, with virtually every convenience store (97 percent) indicating it had microwave facilities.

The most frequently purchased foods at convenience stores (1986)

Soft drinks are the most frequently purchased food items at convenience stores

Item	**Percent of eater occasions**
Soft drinks	37%
Total sandwiches	31
Ice cream	14
Coffee	13
Donuts/sweet rolls	11
Hamburgers	10
French fries	9
Hot dogs	6
Heros/subs	4
Salads	4

Source: NPD CREST, 1986

Twelve percent of convenience stores were estimated to have an automatic bank teller on-site in 1986. Four out of 10 stores accepted credit cards with one out of every 10 stores also accepting debit cards. In response to the joint ventures forged with some fast food operators, one out of every 20 (5 percent) convenience stores in 1986 indicated that seating was available for its fast food customers.

What are the most frequently purchased foods?

According to a special CREST study of the convenience store industry, soft drinks topped the list as the most frequently ordered food item at convenience stores in 1986—37 percent of eater occasions were for these carbonated beverages.

Other frequently ordered items included sandwiches (31 percent), ice cream (14 percent), coffee (13 percent), donuts/sweet rolls (11 percent) and hamburgers (10 percent). Nachos captured only one percent of convenience store eater occasions in 1986.

Average check size

Unlike the fast food segment of the restaurant industry, the convenience store industry's average sale per customer has not significantly increased from its 1982 level. This may be due to convenience stores increasingly relying on building store traffic to increase sales.

In 1982, the average sale (excluding gas) per convenience store customer was $1.99. This average sale figure increased to $2.07 in 1985, but dropped back to $1.98 for 1986. This figure includes in-store purchases of non-fast food items in addition to fast food.

CREST data reveal that the average check per customer for the quickservice segment of the industry stood at $2.12 in 1982, 13 cents above the convenience industry's yearly average. By 1986, the quickservice average check per customer had risen to $2.47, compared to the $1.98 for convenience stores.

The fact that the average sale per convenience store customer has not risen while convenience industry revenues have continued to climb highlights that convenience stores are increasing their store traffic which more than compensates for a relatively stable average sale per customer.

Who patronizes convenience stores?

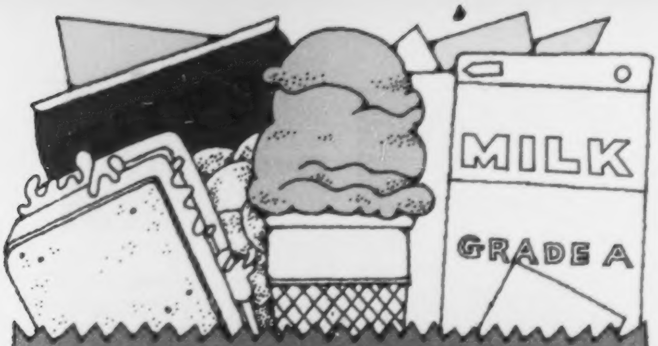
Similarities exist in the demographic profiles of fast food patrons and convenience store purchasers.

According to CREST research, consumers with an above-average interest in frequenting convenience stores display the following demographic characteristics:

☐ Household heads under age 35
☐ Households with income less than $20,000 a year
☐ Males
☐ Blue-collar workers
☐ Employed, not married individuals
☐ Households with both spouses employed
☐ One and two-member households

Those convenience store consumers who are most important to the stores in terms of volume contribution fall into the following demographic categories:

☐ Household heads between 25 and 34 years of age
☐ Household income between $20,000 and $30,000 a year
☐ Males
☐ White-collar workers
☐ Households with both



Convenience store offerings

In 1986, three out of four convenience stores offered some type of prepared food

Percent of convenience stores offering:	1984	1986
Microwave equipment	95%	97%
Fountain drinks	92	96
Prepared foods	42	73
Service deli	22	29
Automated tellers	11	12
On-premises bakery	1	5
Vending machines	3	8
Fried chicken	3	3
Video rentals	NA	44
Credit cards	NA	37
Debit cards	NA	11
Seating for fast food customers	NA	.5

NA = not available
Source: National Association of Convenience Stores

spouses employed

☐ Three and four-member households

CREST data also indicate that customers of convenience stores are less likely to visit upscale restaurants.

A National Restaurant Association study *Consumer Expectations with Regard to Dining at Fast Food Restaurants* reveals that frequent users of fast food restaurants are young adults (18 to 24 years old), singles and men. The main reasons consumers cited for eating at a fast food restaurant are lack of time and convenience.

Convenience stores are offering more food products and services to match consumers' interest in a speedy and convenient meal. The convenience store industry is repositioning itself to capitalize on the growing demand for food consumed away from home, and one of its major targets is the same consumer who frequently eats at fast food restaurants.

Some restaurant customers are switching to convenience stores

Since fast food sales at convenience stores have been climbing, restaurant operators must be wondering whether the gain of foodservice sales at convenience stores has come from their customer base. A recent CREST study provides some insights.

CREST examined whether the source of growth for convenience stores was due to a higher usage of foodservice by the consumer or whether it actually represented consumers shifting from restaurants. For convenience stores, CREST determined that half (53 percent) of the foodservice growth at convenience stores between 1985 and 1986 was a result of regular customers using convenience stores more frequently. Consequently, the other half (47 percent) of growth was due to consumer switching.

Which restaurants did the convenience store consumers switch from? CREST research indicates that the convenience store foodservice patrons came from chicken, hamburger, ice cream and other quick-service sandwich restaurants. These categories represented more than half of the shifting gains, indicating that convenience stores should be considered "real" competition by foodservice operators.

Of all meal occasions at convenience stores in 1986, lunch was the fastest growing daypart, according to CREST data. In 1986, 29 percent of convenience store meal occasions were for lunch, compared to 25 percent in 1985. Breakfast dropped from 29 percent of meal occasions in 1985 to 22 percent in 1986. Moreover, convenience store foodservice is most dependent upon consumers visiting the establishment for a snack. In 1986, 38 percent of convenience store meal occasions were snacks.

Where are these meals and snacks consumed by the convenience store patron? Nearly nine out of 10 (88 percent) convenience store meals and snacks in 1986 were consumed off-

Fast food* sales at convenience stores ($000)

Sales of food cooked on site at convenience stores increased in 1986

Category	1985	1986	Percent change 1985-1986
Hot beverages	$ 531,000	$ 972,000	83.0%
Fountain drinks	863,000	1,296,000	50.2
Food cooked on-site	100,000	144,000	44.0
Deli services	996,000	1,188,000	19.3
Frozen beverages	299,000	324,000	8.4
Sandwiches (fresh and frozen)	1,029,000	936,000	–9.0
Other fast food	531,000	324,000	–39.0
Total	**$4,349,000**	**$5,184,000**	**19.2%**

**Fast food as defined by the National Association of Convenience Stores includes fresh sandwiches, frozen sandwiches, deli services, food cooked on-site, fountain drinks, frozen beverages, hot beverages and other fast food*
Source: National Association of Convenience Stores

premises. Nearly half of these were eaten in a car, but, compared to 1985, the percentage of convenience store meals and snacks consumed in cars had declined, with at-home consumption increasing. In 1985, 44 percent of convenience store meals and snacks were consumed in cars, and 13 percent were eaten at home. By 1986, consumers ate 20 percent of their convenience store meals and snacks at home and a lower 40 percent in their cars.

1986 convenience store industry sales structure (excluding gas)

Fast food items account for 14.4 percent of total convenience store sales

Product group	**Percent of sales[1]**
Room temperature items[2]	49.5%
Cooler items[3]	33.0
Fast food[4]	14.4
Frozen[5]	3.1
Total	**100.0%**

[1] Industry average
[2] Includes bread and cakes, cookies, salty snacks, candy, gum, groceries, health and beauty aids, tobacco, publications, wine/liquor, motor oil and other general merchandise
[3] Includes beer, soft drinks, juices, milk and milk products, packaged deli, produce and eggs
[4] Includes fresh and frozen sandwiches, deli services, food cooked on-site, fountain drinks, frozen and hot beverages and other fast food
[5] Includes frozen food, ice cream and ice

Source: National Association of Convenience Stores

The teenage factor

The market clout of the nation's diminishing number of teenagers has long been recognized within the foodservice industry. This demographic group is also critically important to the convenience store industry and strategic to the consumption of fast food at convenience stores. A recent Gallup survey conducted by *Convenience Store News* highlights the importance of teenagers to convenience stores.

The Gallup survey revealed that during the first six months of 1987, 70 percent of teenagers aged 13 through 17 indicated that they shopped at convenience stores at least once a week. Of particular interest to restaurateurs is that almost half of the teenagers (48 percent) reported that they had purchased fast food on their last visit to a convenience store. Of these individuals, 38 percent had purchased a soda or fountain drink, 32 percent a hot dog or hamburger, 16 percent a slice of pizza, 14 percent a sandwich and 11 percent french fries.

The video connection

Restaurateurs are aware of the importance of the videocassette recorder (VCR) in affecting consumer behavior. The scene of a family or a group of teenagers huddled around the VCR watching a favorite movie while dining on delivered pizza or carryout Chinese is becoming increasingly commonplace. Restaurant operators have responded by offering new takeout meals and services to meet this consumer demand.

As the popularity of the VCR has increased, so has the consumers' need for quick and convenient access to rent videocassettes. The convenience store industry has been quick to recognize this fact and, according to the National Association of Convenience Stores, four out of every 10 stores (44 percent) offered videos to rent in 1986.

The reason this fact should be of interest to restaurant operators is the developing cross-selling opportunities that C-stores have with the video rental consumer. As convenience stores continue to develop their video rental programs, the opportunity to sell the consumer a meal or snack to go with the video rental holds significant potential. A Gallup survey conducted by *Convenience Store News* in 1987 showed that four out of every 10 teenagers between the ages of 13 and 17 like to buy snack foods when renting videotapes, and two out of every 10 teenagers like to be able to buy fast food when renting a tape.

In response to the convenience store move into the video rental market, some video chain stores are now offering snack foods and beverages to their patrons. Few individuals could have foreseen that a multi-billion dollar industry, such as video rentals, would target convenience store food items as a way to defend their customer base and enhance profit margins.

Most importantly, the consumer interest in combining videotape rentals with fast food purchases is not limited just to the teenage and young adult market. A *Convenience Store News* Gallup survey conducted in 1987 revealed that 17 percent of frequent convenience store patrons between the ages of 35 and 49 would be interested in combining the ability to purchase fast food with renting a videotape.

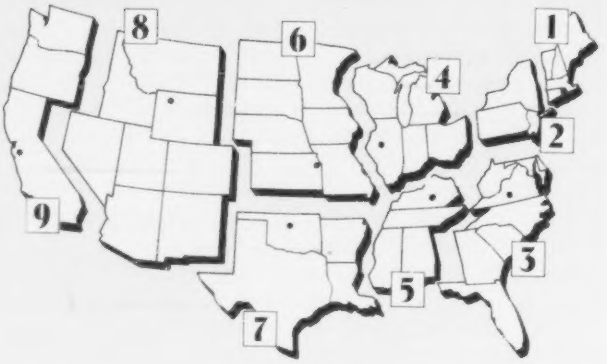
The future

Convenience store operators and the foodservice industry will be closely examining each others' customers to determine how to better serve the patron they both know best. The joint ventures which have been developing are an effort to combine forces to better serve the consumers and their needs while avoiding the high start-up costs associated with opening new units. Convenience stores have strategically positioned themselves in the videotape rental market, and the addition of fast food in many stores is a logical consequence of this decision. Just as many fast food restaurants have opened drive-thru windows to meet consumers' need for a quick takeout meal, a few convenience stores are experimenting with their own drive-thru windows.

The rapidly growing convenience store industry is attempting to broaden its customer base, and the addition of fast food at many stores appears to be helping. *Convenience Store News* reports that convenience store operators say fast food is the most important category for future growth—more important than snack foods, video rentals and gasoline. The convenience store industry will likely target women and higher income individuals in the future in an effort to maintain their rapid sales growth.

Convenience stores have become an integral part of the foodservice industry due to changing demographics and lifestyles. Wise restaurant operators will closely monitor the convenience store industry's progress in the foodservice arena.

—Hudson Riehle



1 NEW ENGLAND

Location: Newport, RI
Association member: Ralph Plumb
Operation: The Brick Alley Pub and Restaurant
Profile: Leisure dining
In business: 9 years
Seats: 90 in winter, 140 in summer
Meals served: Lunch, dinner

"For us, business has improved every year. This year business has been up 10 percent," says **Ralph Plumb,** owner of The Brick Alley Pub and Restaurant. "Our business goes up about 20 percent in the summertime, and we have a waiting line the whole time we're open."

The Brick Alley offers diners a casual atmosphere and an extensive menu, including a variety of fresh seafood and meat entrees. The two most popular dishes are *Black Spaghetti*—pasta blackened with squid ink and topped with a sauce containing scallops, crabmeat and lobster—and *Baked Sole Vanderbilt*—sole baked in garlic butter and white wine; stuffed with crabmeat, mushrooms and Monterey Jack cheese; and then topped with hollandaise sauce.

Although tourism has dropped slightly because Newport is no longer the home of America's Cup, Plumb says the city has developed a strong enough economy to enable his and other businesses to grow.

2 MID ATLANTIC

Location: Cape May, NJ
Association members: Arthur Craig, Rona Craig
Operation: Washington Inn
Profile: Upscale restaurant
In business: 10 years
Seats: 120
Meal served: Dinner

"Business is excellent. There is no comparison from what it was in December 1986," says **Michael Craig,** general manager of the family-run Washington Inn. "We're up 25 percent."

Hosted holiday parties was the primary reason sales increased dramatically at the Washington Inn this past December. The inn began hosting parties two years ago, but business did not take off until this past year.

The parties, usually held for southern New Jersey businesses, were the perfect cure for the winter slowdown at the inn, which relies heavily on summer tourists. The menus for the parties are worked out with the businesses, and they are usually representative of the restaurant's full menu. Winter favorites include the double boneless lamb chops and clams casino. Popular in the summer is the fresh, local seafood. For dessert, many people choose the inn's chocolate mousse.

3 SOUTH ATLANTIC

Location: Salem, VA
Association member: Robert Rotanz
Operation: Mac and Bob's
Profile: Leisure dining
In business: 7 years
Seats: 120
Meals served: Lunch, dinner

"Things are going pretty good. We started a new menu just over a year ago, and it's done better than we thought it would," says **Robert Rotanz,** co-owner of Mac and Bob's, a former bar that has nearly completed its conversion into a leisure dining restaurant.

When it first opened, Mac and Bob's was a drinking hole for students at nearby Roanoke College. But when Virginia changed its drinking age to 21 about three years ago, Rotanz and his partner Joseph Dishaw decided they had to reposition their bar to avoid losing business. "It's a lot easier now and a lot more fun," Rotanz says.

Although the menu has shifted from featuring only pizza and sandwiches to serving entrees, such as seafood pasta, calzones and shish kebabs, Mac and Bob's pizza remains a popular item. "There are not too many places around here to get a good pizza," Rotanz maintains.

4 EAST NORTH CENTRAL

Location: Normal, IL
Association member: Guido Zeller
Operation: Avanti's Italian Restaurant
Profile: Fullservice restaurant
In business: 16 years
Seats: 120
Meals served: Lunch, dinner

"Business is good; it's been increasing steadily," says **Guido Zeller,** owner of Avanti's Italian Restaurant. "I think it's because of our consistent, inexpensive food and good service."

Zeller's inexpensive food is attractive to the students at nearby Illinois State University. His 16-inch submarine sandwiches cost about $2.50. "A lot of people are shocked when they come in here and see the prices for the first time. We keep our prices down by baking our own bread," explains Zeller. The most popular item is the *Gondola Sandwich*, a ham and salami sub with cheese and lettuce. Also popular are pizza and pasta. Zeller provides customers with delivery, carryout and fullservice dining.

5 EAST SOUTH CENTRAL

Location: Glasgow, KY
Association members: Mark O. Haines, Betty Haines
Operation: Bolton's Landing Restaurant
Profile: Leisure dining
In business: 5 years
Seats: 125 in dining room, 80 in banquet room
Meals served: Lunch, dinner

"Business is fantastic. It couldn't be better," says **Robert Kidd,** kitchen manager of Bolton's Landing Restaurant. "Business is steady all year except January and February, but you'd never know it's down because the restaurant still fills up most days."

Located in the small Kentucky town of Glasgow, Bolton's Landing relies on a loyal clientele. And with Glasgow now beginning to grow, it is likely that the restaurant's business will get a boost.

Bolton's Landing offers customers a very relaxed atmosphere, accentuated by the large fireplace in the middle of the restaurant.

The biggest seller is a steak and chicken combination, which consists of a 5-ounce rib-eye steak, chicken teriyaki and a salad. Also popular are the appetizers, especially the shrimp and crabmeat gumbo. "It surprises me that people this far north eat so much gumbo," notes Kidd.

6 WEST NORTH CENTRAL

Location: Mission, KS
Association member: William D. Cowden
Operation: Don Chilito's Mexican Restaurant
Profile: Cafeteria
In business: 17 years
Seats: 180
Meals served: Lunch, dinner

"We had another record customer count last year. It came close to 300,000," says **William D. Cowden,** owner of Don Chilito's Mexican Restaurant.

Don Chilito's serves 100 different dishes at any time of the day. All items are freshly made while customers move their way through the cafeteria line. "Cafeteria-style allows me to offer lower prices and faster service. We are an eating place, not a dining place. We know the difference," Cowden says.

One of the big attractions at Don Chilito's is a self-service bar that offers customers all the tortilla chips and sauces they can eat. They also can feast on unlimited sopaipilla—deep-fried bread served with honey. There is no extra charge for these items.

Cowden recently opened his second Don Chilito's in Independence, Missouri.

7 WEST SOUTH CENTRAL

Location: Enid, OK
Association member: Richard B. Autry
Operation: Richill's
Profile: Fullservice cafeteria
In business: 23 years
Seats: 325
Meals served: Lunch, dinner

"The economy of this area is very poor," says **Richard B. Autry,** owner of Richill's. "It's bad throughout Oklahoma, but it's worse here. If I still owed a lot of money on my restaurant, I doubt I'd be here."

The crippled farm and oil economies in Oklahoma have created many frugal consumers. As a result, business at Richill's is down nearly 40 percent since 1981. "If we keep dropping like we have during the last four years, I don't think we can survive. We have three to four more years of rocky road ahead of us. But on the positive side, we are survivors; we'll make it," maintains Autry.

Richill's, a fullservice cafeteria, usually offers 11 meat entrees, 7 vegetables, 25 salad choices, 5 breads and 11 desserts. Because there are many health-conscious elderly in the area, Autry serves many dishes that are low in sodium, fat and cholesterol. The most popular item is grilled chicken breast.

In an effort to boost sagging profits, Autry has turned to catering. However, he is not alone. Other area restaurateurs have had the same idea. "Everybody is in the catering business now. It's very competitive," Autry laments.

Besides venturing into catering, Autry has not made any big changes at Richill's to increase business. "We haven't used coupons or special promotions because I don't believe in them," says Autry. "But," he adds, "we may have to look into them."

8 MOUNTAIN

Location: Cody, WY
Association member: John Gibbons
Operation: La Comida
Profile: Fullservice Mexican restaurant
In business: 4 years
Seats: 120
Meals served: Breakfast, lunch, dinner

"Business has been pretty good. It's grown monthly since we opened," says **Karen Gibbons,** co-owner of La Comida, a Mexican restaurant dependent on summer tourists. "In the summer it is a large business; in the winter it is a quiet place." To offset the slow winters, La Comida hosts parties in its dining room and caters.

Located at the east entrance of Yellowstone Park, La Comida gets visitors from all over the country. According to Gibbons, many who stop recommend it to friends planning trips.

All of La Comida's dishes are homemade and were developed by John Gibbons, Karen's husband. The most popular are the beef and chicken fajitas, which are made with jicamas—a Mexican vegetable that tastes like a water chestnut. La Comida also serves a variety of American foods, including steaks and seafood. Lunches cost from $7 to $10; dinners run from $12 to $20.

9 PACIFIC

Location: Santa Clara, CA
Association member: Rudy Parker
Operation: La Paloma Restaurant
Profile: Fullservice Mexican restaurant
In business: 10 years
Seats: 120
Meals served: Lunch, dinner

"Business is about the same as last year; it's reasonable," says **Rudy Parker,** owner of the La Paloma restaurant. "It could be better, but it could also be worse."

Whatever the case, Parker is not satisfied. That is why eight months ago he began a lunch promotion in which he offers customers a choice of eight hot Mexican dishes, salad, pastries and fruit. "That's proven real popular with people. We plan to promote that a little more," Parker says. Many workers in the Silicon Valley, which is about five miles from his Santa Clara, California, restaurant, come in to eat lunch.

Business at the Spanish ranch-style La Paloma is constant all year. Lunch customers are usually workers or shoppers, while dinners attract a larger cross section of Santa Clara's population. The most popular dishes are tacos de carne, and beef and chicken fajitas. Lunch usually ranges from $5 to $8, and dinners run from $6 to $11.

—Tom McKeon

Shapely sandwiches

Remember when 6-foot party subs were something to talk about? They're nothing out of the ordinary now that Al and Ellen Shuster of Rockville, Maryland's, Norbeck Deli have created oversized sandwiches in shapes that correspond to specific occasions.

Some of the Shusters' most notable sandwich shapes to date include champagne bottles (for anniversaries), baby carriages (for showers), footballs (for half-time munching) and business logos as well as candy canes, trees and Santas for Christmas. The size and shape, says Ellen, are "limited only by the imagination," as is the stuffing, which can range from traditional cheeses and deli meats to vegetarian and kosher fillings.

Prices for the custom-made sandwiches start at $45 (for 15 people).

—Washington Post

A restaurant that serves none of its own food

Dine Out-In, a Houston, Texas-based operation that was created in March 1987 as a contract delivery service for selected local restaurants, continues to expand its services in an innovative fashion. The company now caters for all the restaurants for which it delivers, rents out the Dine Out-In delivery limo at night and delivers flowers, videos and, during the Christmas holidays, Christmas trees.

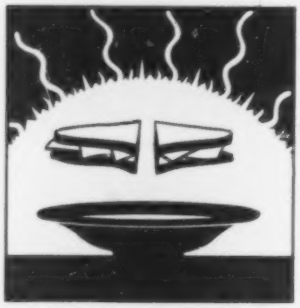
Next on the drawing board for Dine Out-In—a restaurant that serves none of its own food. Scheduled to open in May 1988, the operation will offer a full-service bar and food from six restaurants located within a 2-mile radius.

Dine Out-In's delivery and catering service will soon be expanding to Washington, DC, and Los Angeles.

—**Restaurants USA**
interview

Microwave soup and sandwich combos

The Campbell Soup Company has come up with a convenient product to use as a weapon in the battle for the consumer's lunch dollar. Early in November, the company moved into limited test markets with SouperCombos, a line of frozen, microwavable soups and sandwiches.



The combos will be available in eight "natural" combinations from chili with beans and hot dog on a bun, to cream of broccoli soup and ham and Swiss cheese croissant.

The soup offerings are packaged in plastic bowls with clear heat-seal polyester film lidding, and the sandwiches are overwrapped in clear polyester film bags. Both the soup and the sandwich are placed on a foamed polystyrene tray (with a molded pulp grid in place beneath the sandwich) and overcartoned.

To prepare the combos, consumers are instructed to temporarily remove the sandwich from the foam tray (leaving the molded fiber sandwich grid in place), vent the soup bowl by making a few perforations in the bowl lidding film and microwave the soup on the foam tray for about 3½ minutes. Then the sandwich is removed from its film bag, placed on the tray grid and the entire meal is microwave-heated for approximately 3½ more minutes. During this heating phase, the molded pulp grid acts to absorb moisture and prevent sogginess in the sandwich.

—Food Processing

A thank you to education

"For years we've known that individual recognition enhances corporate success. Common sense tells us that rewarding achievement is also important in public education," says Billy Webster IV, president of Carabo, Inc., parent company of Bojangles' of South Carolina. Last October, Webster initiated a program that recognizes teacher excellence in the Midlands, South Carolina, school district.

After meeting with school district officials in Richlands and Lexington counties, local Bojangles' stores agreed to honor 67 teachers throughout the year. Teachers selected by each school district are recognized for up to two weeks on Bojangles store readerboards and Bojangles' officials make aware presentations at monthly school board meetings, where teachers are enthusiastically praised for classroom excellence by board members and school administrators. Each teacher receives a plaque, a framed certificate, Bojangles' coupons for complimentary meals and money to purchase equipment and materials for the classroom.

According to Richland School District I Board Member James Leventis, "One of the most meaningful things that's happened here is the cross-training between school and business employees. Students and teachers are getting to know Bojangles' employees as friends. Employees are learning about the concerns and triumphs of schools. Whenever this type of dialogue develops, good things happen unexpectedly."

—Carabo, Inc.

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March 20–22, 1988

The Monterey Wine Festival, packed with gala festivities and exciting education programs, is fast approaching.

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- Participate in America's only large bottle auction
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- Sample the best of the Monterey Peninsula foods and wines

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 · NO. 3 · MARCH 1988

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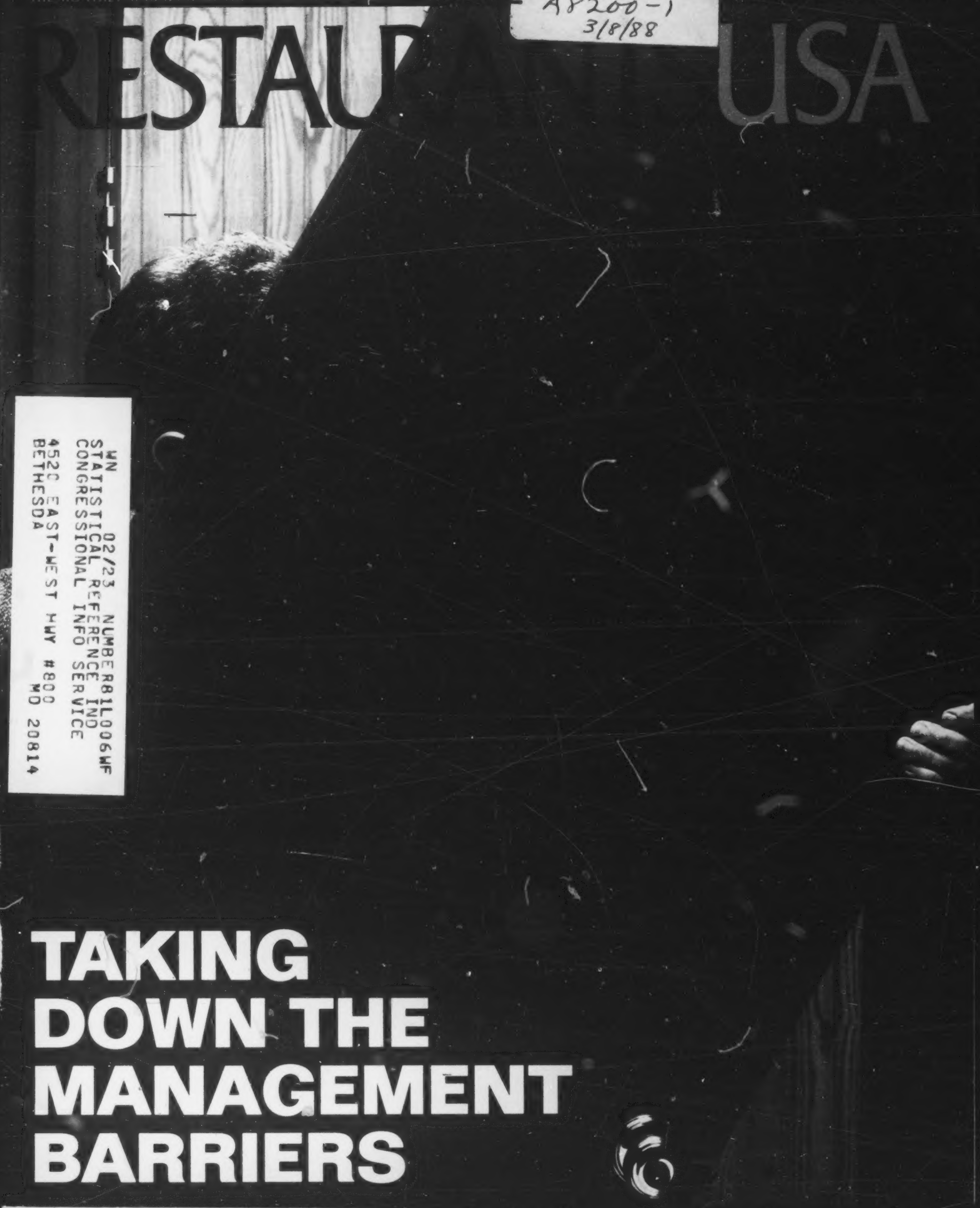

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TAKING DOWN THE MANAGEMENT BARRIERS

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

3/15	Rochester, NY
4/12	Pittsburgh, PA
4/26	Boston, MA
4/27	Albany, NY
5/2	Norfolk, VA
5/3	Atlanta, GA
5/10	Wilmington, DE
5/21	Chicago, IL

Increasing Sales: Effective Front-of-the-House Management

4/14	Wilmington, DE
5/19	Hartford, CT
5/22	Chicago, IL

Kitchen Management

3/28	Tampa, FL
4/11	New Orleans, LA
4/12	Atlanta, GA
4/14	Honolulu, HI
4/18	Houston, TX
4/19	Phoenix, AZ
4/20	Boise, ID
5/4	Detroit, MI
5/5	Pittsburgh, PA
5/21	Chicago, IL

Employee Motivation

3/22	Boston, MA
3/23	Hartford, CT
5/21	Chicago, IL
5/24	Omaha, NE

Tools for Training

4/6	Portland, ME
4/8	Ocean City, MD
4/12	Tucson, AZ
5/22	Chicago, IL

Food Production Courses

Perfecting Your Culinary Skills

3/28	Riverside, CA
3/29	San Diego, CA

Soups and Sauces

4/18	St. Louis, MO
4/19	Minneapolis, MN
5/19	Savannah, GA
5/22	Chicago, IL

Foodservice Management Courses

Banquet Management

3/16	Berkshire, MA
3/18	Seattle, WA
3/23	Calgary, Alberta
3/25	Winnipeg, Manitoba
4/20	Tampa, FL
4/21	Newark, NJ

Beverage Management

4/12-13	Norfolk, VA
5/21-22	Chicago, IL

Do-It-Yourself Public Relations

4/20	Nassau, NY
4/21	Providence, RI

Food Cost Management

5/22	Chicago, IL

Hiring in a Tight Labor Market

4/26	Atlanta, GA
4/27	Orlando, FL
5/11	San Francisco, CA
5/12	San Diego, CA
5/22	Chicago, IL

Menus That Sell!

4/21	Bethesda, MD
5/3	Covington, KY
5/21	Chicago, IL

Off-Premises Catering

3/17-18	Denver, CO
3/22-23	Minneapolis, MN
4/13-14	Westchester, NY
5/3-4	Baltimore, MD
5/21-22	Chicago, IL

Operational Analysis

4/6-7	Portland, OR
5/21-22	Chicago, IL

Planning Successful Buffets

4/25	Riverside, CA
4/26	Long Beach, CA
5/21	Chicago, IL

Profitability

4/6	Lexington, KY
4/7	Indianapolis, IN
5/22	Chicago, IL

Restaurant Design

3/24-25	Phoenix, AZ
4/13-14	Columbus, OH
5/21-22	Chicago, IL

Server Sales Training

3/23	Washington, DC
3/24	Philadelphia, PA
4/7	San Francisco, CA
5/17	New York, NY

Wine Server Training

4/7	New York, NY
4/13	Denver, CO
5/5	Dallas, TX

NATIONAL CONFERENCE SERIES

Conference on Planning and Financing Restaurant Growth

3/27-29	Los Angeles, CA

For more information, contact National Restaurant Association Education Foundation, 311 First St., N.W., Washington, DC 20001 (800) 424-5156 or (202) 638-6100

If your company is interested in our in-house programs, contact Frank Doyle at the association's Washington, DC, office.

EXECUTIVE STUDY GROUP SERIES

Financial Officers

4/6-8	New Orleans, LA

Foodservice Purchasing Managers

5/18-20	Chicago, IL

Internal Auditors

4/26-29	Charleston, SC

Large Independent Operators

3/18-20	Monterey, CA

Management Information Systems (MIS—formerly EDP)

4/12-17	Scottsdale, AZ

Marketing Executives

5/18-21	Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)

5/18-20	Chicago, IL

Quality Assurance

4/20-22	San Diego, CA

Tax Executives

4/6-8	New Orleans, LA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTS USA

VOL. 8 NO. 3 **MARCH 1988**

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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY

What follows is an open letter to the foodservice industry. Thanks to the cooperation of the trade press, it is appearing in major publications read by operators all across the country. The letter calls for a vigorous response.

We need to show the way for the rest of the industry. I am asking every member of the National Restaurant Association to read this following letter and take the recommended action.

An open letter to the foodservice industry

Fellow restaurateurs:

Foodservice operators can't afford to keep silent any longer.

In recent sessions, Congress has passed a series of laws which is cutting into the economic viability of the nation's restaurants. The tip allocation and reporting regulations, the 20 percent disallowance of the deductibility of business meals, the immigration law recordkeeping requirements and the more recent employer-paid FICA tax on tips are just a few of the laws that are costing you time and money you cannot afford.

We now have an opportunity to make our voice heard in Washington, but we need your action. When Congress imposed employer-paid FICA tax on tips, it in effect changed the definition of "wages" to include tips. If tips are wages when we pay taxes, they are wages when we calculate the payroll. The National Restaurant Association has launched a campaign to amend the Fair Labor Standards Act (FLSA) to allow a 100 percent tip credit, thereby permitting all tips received by employees to be applied to the minimum wage.

In our Washington headquarters we have a government affairs staff of nine professionals who "work the Hill," speaking with Congressmen and Senators on a daily basis to inform them of the effects of proposed legislation on our industry. In addition, we retain a widely respected outside lobby organization to supplement our efforts in promoting and protecting the interests of the industry. But we can't do it alone. We need your help.

Only you can ensure the success of our political efforts. In a democracy such as ours, the will of the people prevails only if the people make their will known. We can protect our interests in Washington only if we let our representatives know how proposed legislation affects us. We can turn the tide of detrimental legislation if each of you commits yourself now to regular communication with your legislators.

Attached is a card that you can send to your Congressman or Senators encouraging support for legislation that is consistent in the treatment of tips as wages. I urge you to sign your name to it, put a stamp on it, and mail it to your Congressman or Senators today. It will get to him or her if you address it to: (1) Senator ______________________, U.S. Senate, Washington, DC 20510 or (2) Congressman ______________________, U.S. House of Representatives, Washington, DC 20515. If you need to know the name of your Congressman or Senator, call our Washington headquarters at 1(800) 424-5156. Our government affairs staff will be glad to give you any information you need.

If you prefer, call or visit your Congressman and Senators. Tell them that your business has been severely damaged by a series of oppressive laws which culminated in the FICA tax on tips and that fairness, consistency, and logic require the amendation of the Fair Labor Standards Act to permit a 100 percent tip credit.

Also attached is a card, which will enroll you in our Key Contact Program. We will keep you informed on issues of critical importance to our industry and let you know when action is vital. We must have your help if the foodservice industry is to make an impact.

Your silence can cost you money. Unless each of us carries the message, Congress will continue to chip away at our profit margins with ill-conceived legislation. Please, for your own best business interests, act now. Thank you, on behalf of the foodservice industry.

Association moves to new headquarters this month

This month the association will move its headquarters to our new downtown Washington location. The building, which the association purchased in December, will serve as an emblem of the foodservice industry's strong voice in the nation's capital. I regard it as both a symbol of our long-range involvement in public affairs and as an excellent financial investment.

After the move, our Washington address will be: 1200 Seventeenth Street, N.W., Washington, DC 20036-3097. Our local phone number will be (202) 331-5900. You can still reach us toll-free at 1 (800) 424-5156.

Show to be held May 21-25

The 69th annual National Restaurant Association Restaurant, Hotel-Motel Show will be held in Chicago May 21-25. In addition to the miles and miles of exhibition space at this year's Show, there will be lots of exciting entertainment. NBC television's Tom Brokaw will make the opening day address, and Madam Jehan Sadat of Egypt will be a special guest speaker at the First Ladies Luncheon on Monday, March 23. There will also be 17 seminars offered during the Show. Don't miss out on this year's big event. More details on the Show will be featured in the April issue of *Restaurants USA*.

Wine server selling skills seminar

Operators looking for a way to boost check averages should consider the association's Wine Server Selling Skills Seminar for their employees. This seminar brings knowledge about wine service directly to your servers and can cost as little as $15 per person. Upcoming seminars will be held in New York, Denver, Dallas and Chicago. For additional registration information, contact the National Restaurant Association at 1 (800) 424-5156.

During February, 130 new members joined the National Restaurant Association. We welcome your participation in the association's efforts to effectively represent the foodservice industry on your behalf.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

COVER STORY: TAKING DOWN THE MANAGEMENT BARRIERS

More than ever before, today's restaurant is being run like a team. This means many of the traditional barriers are being removed.

11 Supervising supervisors
If you want your supervisors to think like you do, it's time to give them the information, feedback and leeway they need—and the respect of an equal.

15 How to hire managers
Developing a good relationship with your managers starts at the beginning—when you hire them.

16 The changing role of the maitre d'
The traditional role of the tuxedo-clad maitre d' is changing, but not everyone thinks this is a good idea. Those in favor say it fits in with the times; those opposed believe it's a symbol of declining service.

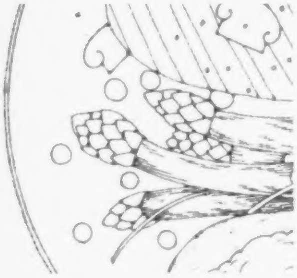
SPECIALS

INFO '88 Conference report

26 Overview
The independent operators who attended this year's INFO conference were inspired by a bountiful feast of presentations in such areas as customer service and marketing. Here are a few of the highlights.

27 Closeup: trends for the times—and how you can adapt them in your operation
One of the high points of INFO '88 was Bob Patterson's talk about the economic realities and customer expectations operators are facing. Don't miss his insights based on more than 20 years of analyzing the industry.

18 Franchise partnerships share sites
Fast food and midscale chains with similar management styles and business philosophies—but different products—are coming together under one roof to split costs and boost profits.



22 Half portions
More is not necessarily better where portions are concerned. Some operators are welcoming the opportunity to offer smaller portions. But this new option is not for every establishment.

24 It's a man-eat-dog world
Frankly speaking, the all-American hot dog is as good—and popular—as ever.

31 How to design a beer list
This could be the time to tap into the growing market for beer, by designing a beer list that takes into account the discriminating beer drinkers' tastes. For ideas of some lesser-known beers to consider, see the accompanying sidebar.

Cover photograph by Gary Landsman

DEPARTMENTS

6 Short Orders
- ☐ The association has a new address. This month the National Restaurant Association is moving its headquarters to 1200 Seventeenth St., N.W., Washington, DC 20036
- ☐ Help for the blind diner
- ☐ A gourmet deli for hands-on training

7 Board Room
- ☐ Winter board meeting report

8 Washington Report
- ☐ Tips-as-wages issue heats up
- ☐ A chat with John Chafee, the senator who fought the FICA tax increase
- ☐ Congress gets running start on 1988 sessions
- ☐ IRS explains new FICA law
- ☐ Petri favors tax credit over minimum wage hike
- ☐ FDA says sous vide is a health hazard

34 Fisher's Law
- ☐ Waist management

36 Foodservice Trends
- ☐ Franchise sector remains strong but faces changes
- ☐ Americans are spending more in restaurants
- ☐ Annual CREST report shows solid growth in 1987
- ☐ Spotlight on 35 to 44-year-olds

37 How's Business
- ☐ Operators discuss regional business trends

47 Food For Thought
- ☐ New menu item for McBabies
- ☐ Automatic chopsticks
- ☐ A restaurant file
- ☐ Arby's goes Asian
- ☐ Fat substitute on its way

SHORTORDERS

Association buys headquarters building

During the winter meeting of the association's Board of Directors, President Michael J. Grisanti announced that the association purchased a new headquarters building in Washington, DC.

"The new headquarters building will serve as an emblem of the foodservice industry's strong voice in the nation's capital. I regard it both as a symbol of our long-range involvement in public affairs and as an excellent financial investment," Grisanti said.

New address. The National Restaurant Association has purchased a new headquarters building in the heart of Washington's business district. Association President Michael Grisanti sees the new building as "an emblem of the foodservice industry's strong voice in the nation's capital."

After an extensive search for an appropriate site, the association's Real Estate Subcommittee, chaired by Vice President Jim L. Peterson, selected the new building during the summer of 1987. Negotiations continued through December 31, 1987, when the association purchased the building from the American Psychological Association for $17.4 million.

Located at 1200 Seventeenth Street, N.W. in Washington's midtown business district, the building occupies a block on the west side of 17th Street between M Street and Rhode Island Avenue. The eight-story structure contains 85,000 square feet of commercial space. The association will occupy the top three floors, consisting of 30,000 square feet, and lease the remainder, Grisanti said. The association's Washington staff will relocate to its new headquarters on March 14, 1988. You may reach the association at the new phone number, (202) 331-5900, after this date. The toll-free number remains (800) 424-5156.

Help for the blind diner

A special brailled menu is now available at all 400 Carl's Jr. restaurants in California, Nevada, Arizona and Oregon. "It is one of the largest distributions of a braille menu to any food chain," maintains Donald Karcher, president of Carl Karcher Enterprises in Anaheim, California.

The three-page, double-sided, 11-inch square menu lists more than 50 food items, including sandwiches, stuffed baked potatoes, breakfast entrees and desserts.

The menus will be available at each restaurant for blind guests. Prices are omitted due to minor variations among marketing regions.

Preparation and menu embossing was done by the Braille Institute Press, Los Angeles. The institute also works with Carl's Jr. restaurants in the preparation of special cash register keyboard overlays for use by blind employees, a number of whom serve as drive-thru cashiers.

The idea came about last July when the Carl's Jr. in the Los Angeles airport area hosted hundreds of blind persons attending the nearby American Council of the Blind national convention.

"That experience made us keenly aware of the problems faced by blind persons when dining out and we resolved to do more to meet their special needs," Karcher says.

The company estimates that there are approximately 85,000 blind persons in its four-state marketing area.

Braille menu. Betty Clark, left, coordinator of community activities for the Braille Institute of Los Angeles, is the first person to order from the new braille menu now available at 440 Carl's Jr. restaurants in California, Arizona, Nevada and Oregon. Don Karcher, president of the fast food chain, watches Carmen Trujillo hand out the order.

A gourmet deli for hands-on training

The Western Culinary Institute (WCI) in Portland, Oregon, opened its own gourmet delicatessen, "Chef's Corner," in January. The shop offers a variety of gourmet foods prepared by WCI students as part of their training. Chef's Corner selections include sandwiches, salads, baked goods, spices, coffee beans and fine wines.

Most of the food is prepared as takeout items, but there is a small sitting area. Curbside service is also available for advance orders. The institute plans to expand Chef's Corner into a catering operation in the spring as another means of providing the students with hands-on experience.

Winter meeting report

Directors want new law to count tips as wages when calculating payroll

At its recent winter meeting held in Palm Desert, California, the National Restaurant Association's Board of Directors voted that the association will seek legislation to allow tips to be counted as wages for purposes of meeting the full minimum-wage requirement of the Fair Labor Standards Act.

The proposal comes on the heels of new legislation requiring employers to pay FICA taxes on all reported tip income. Association President Michael J. Grisanti announced the board's proposal, saying, "In imposing the FICA tax on employers of tipped workers, Congress has redefined the term 'wage' to include tip income. If tips count as wages when we pay taxes, they should also count as wages when we calculate the payroll."

Grisanti emphasized that, in order for the association's proposal to advance, an intense grassroots campaign must be launched among association members. "We can hope to reach Congress only if we act together," Grisanti urged. Grisanti directed association staff to focus its lobbying and grassroots recruiting efforts on this issue during the months ahead.

The association's Board also directed staff to continue intense lobbying against the minimum-wage increase proposal, expected to come up for a congressional vote this year. Association opposition to the High Risk Occupational Disease Notification Act, the Access to Minimum Health Benefits for All Workers Act, and the Family and Medical Leave Act was also reinforced by the Board.

At the winter meeting, the board also reviewed and discussed the following association business:

☐ **Membership.** The board welcomed members of the Mississippi Restaurant Association into joint membership with the national association, effective May 1, 1988. This brings to five the total number of joint memberships between the national and state associations.

☐ **State Relations.** The development of the Key Contact program, the industry's grassroots network, continues to be top priority for state relations. Currently, 280 key contacts are active in the program, with a goal of 350 contacts set for May 1988.

☐ **PAC.** The National Restaurant Association PAC has set a fundraising goal of $400,000 for 1988. The Board directed the association's PAC to work closely with other industry PACs on issues of mutual concern.

PAC Chairman Ralph Brennan leads members of the committee and staff in discussing early contributions to federal House and Senate candidates during the winter Board meeting. The committee hopes to raise and spend $400,000 in the 1988 election year. PAC dollars are raised from personal, voluntary contributions from members. All monies go to federal candidates.

☐ **Communications.** The association's staff is producing a Current Issues Report which covers the pros and cons of substituting a service charge for tipping. Also, staff will produce two videotapes educating foodservice employees about AIDS; the first video will be addressed to management and the second will be addressed to employees. Like the *Basic Facts About AIDS* booklet mailed last month, the videos are intended for staff use only.

☐ **Research and Information Services.** An upcoming Current Issues Report will present the results of an association survey of state employment services. A state-by-state listing of services will be made available to all members.

☐ **Educational Foundation.** The Educational Foundation of the National Restaurant Association is soon releasing a new video entitled "Producing Profits," which addresses the selection, handling and storage of fresh produce. The video is a joint venture between the association and the United Fresh Fruit and Vegetable Association.

—Anne Papa

Association Chairman of the Board Michael Grisanti and wife Paula met with ex-President Gerald Ford at the winter Board meeting. Ford was a guest speaker at the meeting, discussing the need for congressional reform.

WASHINGTON REPORT

Tips-as-wages issue heats up

A National Restaurant Association campaign to persuade Congress to amend the Fair Labor Standards Act (FLSA) so that all tips are counted as wages for minimum-wage purposes moved into high gear last month, as the House Subcommittee on Labor Standards moved toward considering the Hawkins-Kennedy (minimum-wage) bill, H.R. 1834.

The message to committee members from restaurateurs has been that Congress should count all tips as wages for minimum-wage purposes, since it has defined tips as wages for Social Security (FICA) and unemployment (FUTA) tax purposes. The association hopes to convince Congress that it is inconsistent and unfair to treat *all* tips as wages for FICA and FUTA tax purposes but then to allow tip income to offset only 40 percent of minimum-wage requirements. H.R. 1834 calls for raising the current minimum wage of $3.35 an hour to $4.65 an hour in three annual steps; then in subsequent years the wage would be pegged to 50 percent of the average private sector nonsupervisory wage.

"I can't stress how important it is for restaurateurs to contact their members of Congress at this time," said Mark Gorman, the association's senior director of government affairs. "We particularly need a strong show of support as the full committee begins to consider the minimum-wage bill. Restaurateurs should call their representatives as soon as possible and tell them that the tip credit should be increased."

(Restaurateurs can reach Congress by calling the U.S. Capitol switchboard at (202) 224-3121.)

The tip credit issue may be addressed during subcommittee markup of H.R. 1834, along with proposals to increase the current small business exemption, drop the bill's indexing provision and reduce the amount the wage would be increased.

Full committee markup of the bill is tentatively scheduled for mid-March, with full House consideration in late March.

FDA says sous vide is a health hazard

A Food and Drug Administration (FDA) opinion issued in January states that "sous vide" vacuum pouches are a health hazard and are not acceptable for restaurant use.

FDA said restaurateurs may use commercially processed sous vide foods but should not use the process on-site.

According to FDA, controlled atmosphere or vacuum packaging processes, such as sous vide, are "fraught with danger" and their continued use "would constitute an unnecessary and significant public health hazard."

FDA's opinion does not have the force of law because this is a matter of state or local regulation. However, FDA said its model code would prohibit the use of sous vide and similar techniques, and local regulators are expected to follow FDA's lead.

Sous vide (French for "under vacuum") is a relatively new technique that involves placing food in an impermeable plastic pouch, then evacuating the air and/or otherwise modifying the atmosphere. The food is then partially or fully cooked, cooled, held in refrigerated storage for several days or longer, then reconstituted for service.

Sous vide allows operators to prepare large quantities of entrees ahead of time and then store them in refrigeration until they are needed. However, there is considerable risk of microbial growth in these anaerobic (no oxygen) pouches, which could cause serious health problems, such as botulism.

Although commercial sous vide processors operate under stringent controls, the vacuum pouch process removes several traditional food safety mechanisms. The National Restaurant Association cautions operators who serve commercially processed sous vide foods to explicitly follow the manufacturer's instructions for storage and use.

Congress gets running start on 1988 session

Polygraph, parental leave, minimum health benefits

Congressional panels took swift action early this year to favorably "report" three bills out of committee. Although no date has been set for full House or Senate debate, legislation limiting polygraph use and requiring employers to provide parental leave and health benefits for employees is now ready for floor consideration.

Parental/medical leave. On February 3, 1988, the House Post Office and Civil Service Committee cleared provisions of the Family and Medical Leave Act (H.R. 925) covering federal employees. The rest of the bill, covering private sector workers, was approved by the House Education and Labor Committee last year.

Since both committees have now signed off on the bill, H.R. 925 can be scheduled for a floor vote any time. Observers say, however, that Democrats will bring up the bill only when they are confident they have enough votes to pass it. H.R. 925 requires employers to offer workers 10 weeks of parental leave and 15 weeks of medical leave.

Companion Senate legislation, S. 249, has seen no action beyond committee hearings.

Polygraph use. The Senate Labor and Human Resources Committee okayed a ban on preemployment polygraph testing February 3, 1988. S. 1904 permits regulated lie detector use when an employer has a reasonable suspicion that a particular employee is involved in a workplace crime. The full Senate is likely to vote on S. 1904 in early spring.

Under S. 1904, no employee could be fired or disciplined for simply refusing to take a lie detector test. Employers would have to show reasonable cause before requesting any employee to take the test.

The National Restaurant Association supports this "incident specific" polygraph bill because the likely alternative is an absolute ban on polygraph use, such as that passed by the House last November.

Minimum-health benefits. On February 17, 1988, the Senate Labor and Human Resources Committee voted 10-5 to approve S. 1265, which requires all U.S. employers to provide a comprehensive health care package to any employee working more than 17.5 hours a week.

The committee provided a token small business exemption that would allow employers of five or fewer workers to phase in the required benefit plan over a five-year period.

The controversial legislation will face a tough battle on the Senate floor. Business groups, including the National Restaurant Association, remain staunchly opposed to the mandate, arguing that its high costs would cripple small businesses.

Petri favors tax credit over minimum wage hike

NATIONAL
RESTAURANT
ASSOCIATION

Speaking to the National Restaurant Association's First Thursday group in early February, U.S. Rep. Thomas Petri (R-WI) said that "raising the minimum wage is a bad idea. It causes inflation and job losses that will affect the people who need the most help—the poor." A member of the House Education and Labor Committee, which is scheduled to take up a bill to raise the minimum wage in early March, Petri said he favors an increase in the earned income tax credit (EITC) as an alternative to a minimum wage increase. Petri argued that an increase in EITC would help the disadvantaged without crippling business.

IRS explains new FICA law

The Internal Revenue Service (IRS) mailed Notice 831 to all employers last month explaining changes made by the 1987 tax bill. Among other provisions, the notice explains the new requirement that restaurateurs pay Social Security (FICA) tax on all tips.

Beginning January 1, 1988, employers must pay FICA taxes on *all* tips reported by employees, not just on "tips deemed to be wages." IRS provided no transition period for complying with the new law and expects operators to begin paying the tax right away.

Under the new law, tips are defined as reported tips and do not include allocated or estimated tips. However, if IRS determines during a later audit of employee tax records that workers did not report all tips, the employer could be assessed for FICA taxes on the under-reported tip income.

The IRS notice also outlines several other changes for 1988:

☐ All children over 18 years of age working for parents are covered by Social Security. Prior to January 1, sons and daughters under 21 had been exempt from Social Security taxes.

☐ Individuals working for their spouses are covered by Social Security. Wages paid to these employees are now taxable for Social Security purposes.

☐ The net FUTA tax rate for 1988 remains at 0.8 percent (.008) and does not decrease to 0.6 percent (.006) as IRS's Circular E ("Employer Tax Guide") indicated.

☐ The cost of group-term life insurance is now subject to FICA taxes to the extent that the cost can be included in an employee's gross income.

DON'T
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Interview with John Chafee

A chat with the senator who fought the FICA tax increase

1987's protracted budget battle came to a head last December when the Senate Finance Committee hammered out the provisions of its $9 billion revenue bill. The bill, forwarded to the Senate after being passed by the House in October, included a provision requiring employers to pay Social Security (FICA) taxes on all tips reported by employees.

A key player in the Senate debate on the FICA-on-tips issue was Finance Committee member John Chafee, a two-term Republican senator from Rhode Island. Chafee was opposed to the increased FICA tax and proposed as an alternative a $.02 increase in cigarette taxes. His amendment was voted down, and the Senate included the FICA-on-tips provision in the budget package that President Reagan signed on December 22, 1987.

RUSA: Senator, what made you get involved in the FICA-on-tips issue?

Chafee: I got involved because it struck me as inequitable that although we are always talking about the importance of helping small businesses because they generate so many jobs, we were legislating a huge expense as well as a laborious accounting problem for restaurants, most of them small businesses.

Also, I thought the issue came down to the more philosophical question of whether tips should be considered wages. It doesn't seem to me that a tip given by a restaurant patron is the same as wages paid by an employer. Senators who backed the proposal seemed to be leaping right over this problem.

Finally, the FICA proposal came in tandem with an extension of the FUTA surtax. Although the FUTA tax was scheduled for only a modest 0.2 percent drop, I know this amount makes a difference to the employer. It seemed to me that we were legislating a double whammy for restaurant operators.

RUSA: Why do you think your move to strike the FICA-on-tips proposal and replace it with a cigarette tax failed?

Chafee: I think most members of the committee did not want to tackle the highly controversial cigarette tax. The bill's leaders were afraid that if the cigarette tax increase were included, the bill would face a lot of resistance on the Senate floor. At that stage in the game they were anxious to avoid any obstacles that might have blocked the bill's passage.

As a matter of fact, we didn't pass any increases in excise taxes in this budget bill—beer, wine or cigarette taxes. There was an implicit understanding that we would probably need these another day.

Last, some senators agreed with the reasoning that the situation with tipped workers was shortchanging the Social Security Trust Fund. Workers are entitled to collect Social Security benefits based on their total income; for tipped workers, this includes all tip income. However, pay-ins to the trust fund for tipped workers fell short by the amount of the employer's matching payment on all reported tips.

RUSA: Could restaurants have done more to prevent this provision from being included in the bill?

Chafee: Whenever an issue goes against you, you think you could have done more. But in this instance, the whole budget bill moved so quickly and unpredictably following October's stock market crash that there wasn't a lot of time to marshal forces.

RUSA: Recent Congressional Budget Office figures show that the deficit is going to be billions of dollars over Gramm-Rudman's $140 billion target. Should we expect another tax bill in 1988?

Chafee: Although we might be scurrying around looking for small sources of revenue, we probably will not put together a major tax bill this year. My guess is that unless the administration pounds the drum and calls for billions of dollars in revenue, I don't think we'll see much on taxes.

"It doesn't seem to me that a tip given by a restaurant patron is the same as wages paid by an employer. Senators who backed the proposal seemed to leap right over this problem."

SUPERVISING SUPERVISORS

13 ways to bring down the management barriers

How do you get your supervisors to think like you do? You give them the information, feedback and leeway they need. You treat them with respect. And you show them how you want things done.

As restaurant owners and operators, you have to be concerned with how your supervisors perform. When I say "supervisors," I'm talking about managers who supervise people. Typically, assistant managers, kitchen managers and catering managers supervise employees who earn an hourly wage. But you may have upper management levels in your organization, too: area supervisors, regional directors and directors. All of these people have one thing in common: They have responsibility for getting other people to do what you want done.

There are two types of supervisors: employer-focused and employee-focused. One of the main goals in supervising supervisors is to change the supervisor's focus to that of the employer. That is, to get them to think like you do. The following 13 tips will help you instill this focus in your supervisors and run a smoother operation.

1. Share financial information. Could you operate your business if nobody gave you the numbers? No.

Kathleen McGinley is director of personnel at Soniform, Inc. in El Cajon, California. In this capacity, she has human resource responsibility for 250 employees. This article is based on a speech McGinley delivered at the National Restaurant Association's 1987 Show.

Yet sometimes we allow our supervisors to believe that they don't need to know the numbers—"You worry about the customers, I'll worry about the money." Well, that's what the supervisors do then. They don't worry about the money. They don't worry about how much the linen cost last month or about the tomatoes that are being thrown out in the kitchen. "Not my problem," says the manager.

Well, it is their problem. If you're going to hold your supervisors accountable, make sure they have the numbers they need. Does the kitchen manager need to see vendor bills and payroll reports? Sure. Your kitchen manager is operating a small department within a much larger organization. If he's going to be accountable for the cost control in his department, then he needs to know the appropriate numbers.

2. Sell your ideas and programs to your supervisors. You may think, "I'm the boss. Why should I have to sell them my ideas?" You have to sell your supervisors on your ideas because you're asking a third party to speak for your programs with the same degree of enthusiasm and accuracy that you would. Remember, owners and supervisors are different. While the entrepreneur thrives on quick changes, fluid ideas and rolling with the market, the supervisor thrives on maintaining the status quo, keeping things on an even keel. That's why they roll their eyes when you come to them with a new idea.

You bounce into the restaurant in the morning and approach your restaurant manager: "Joe, come in my office, I have a terrific idea. We're going to develop a signature item, and it's going to be a spectacular salad presentation. We're going to showcase that house dressing that we've put into a bottle. We're going to take a great big wooden bowl to the table with all the vegetables in it. We're going to have little garnish bowls, and we're going to toss the salad right at their table and we're . . ."

Well, Joe the manager tuned you out about four sentences ago because he's already trying to figure out how he's going to tell the chef, how he's going to tell the kitchen staff and where he's going to find the bowls.

And then you give him the clincher: "And I'd like to start this tomorrow."

You sit back and wait for the applause and wonder why he's not leaping with enthusiasm for the new idea. Meanwhile, Joe is thinking, "We just got through cleaning up the last brainstorm you came up with."

Instead, sit Joe down and say, "Look what a signature item would do for us. Let's talk about cost control. I think we can work out a plan to implement it in 30 days." The fact is that you have to have Joe's commitment. Otherwise, he'll just go to his employees and say, "OK, he's at it again. He's got another crazy idea, so we'll humor him for a while and just go through the motions."

If you want to change your priorities, you need to gather all the supervisors associated with that project and develop a plan they can execute. That gives them enough time to do a good job.

3. Pay fair wages. Do a study of fair, competitive wages in your marketplace and pay accordingly. What you pay your employees is a reflection of what you think that job is worth. If you pay competitive wages, you can demand and expect a good job.

"What can I do, what can I give them, that will increase their ability to make a decision with my name on it?"

If you hire cheaply, you are asking the supervisors to live with the results of that business decision. They are going to get the kind of help they can attract for the money you agree to pay. If you're not paying much, don't expect a quality staff. I suggest using a wage scale because it gives you some flexibility in setting the starting wage, assures fairness in the distribution of wages, allows you to forecast your payroll and simplifies raise determinations. Your employees also like to know what they can expect to earn in six months, one year or two years. In fact, this information can increase employee longevity.

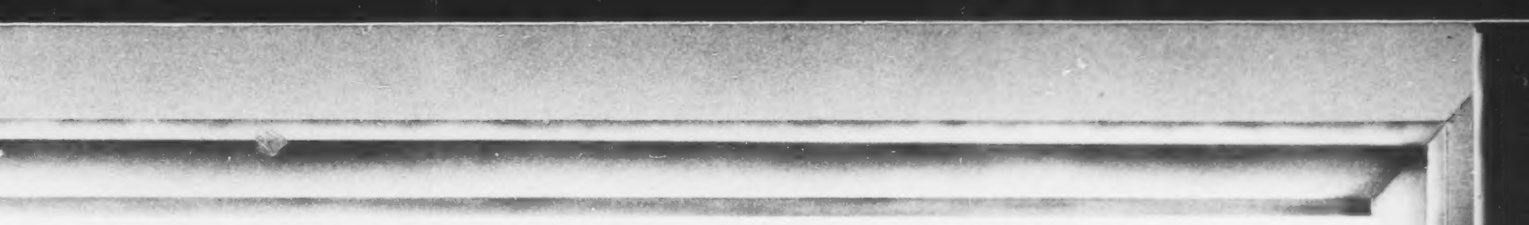
Supervisor reviews should be annual, and you should have no less than quarterly meetings to discuss their goals, their plans and how well they are performing.

4. Listen to your supervisors' concerns. The two most common complaints your supervisors have about you is 1) you don't listen and 2) you don't give feedback. We are not trained to listen. In theory we say we want to, but we have concerns that are bigger—we're in lease negotiations or our sales have taken a funny little dip or our best waiter just went to work for our competitor. And then the assistant manager comes in and says, "Oh, my God, the linen was just delivered, and 500 napkins don't have any starch." And you say, "I don't need this right now—go and fix it."

Why do suppose the assistant manager came to you? She knows what to do, but she wants affirmation that the decision that she's about to make is the right one. If you take the time to give her that affirmation, you won't hear about that particular problem the next time it happens. If you dismiss her, she will not be sure that her decision is what you would have wanted her to do.

Don't prejudge a supervisor's worries as unimportant or an overreaction. Concerns on the part of your managers are not signs of weakness, they are signs of interest. We can kill interest—a supervisor's desire to make things right—if we don't listen.

Barriers to listening occur if we prejudge, pre-evaluate or already disapprove of what they're saying. Suppose Mary, your kitchen manager,



comes to you and says, "I'd like to work on a new garnish; the piece of parsley and the carrot curl have had it after 12 years." If you answer her with, "OK, but what was wrong with the shrimp dinners last night?" What have you said? You've said, "Your idea is not a priority, Mary." Will she go work on the garnish? Of course not.

If you do need to reject an idea, you want to make sure you reject the idea and not the person: "Gee, Mary, I appreciate the thought that you put into this. Perhaps it's not appropriate for us at this time, but I'll sure keep it in the back of my mind. And thanks for taking the time to think about it."

Listen to the concerns of your supervisors. And, if you do use a supervisor's idea successfully, be sure to give credit to that person. Otherwise, you'll stifle their creativity—creativity that could be a great help to you later.

5. Reward appropriate behavior immediately, directly and enthusiastically. Recognize the small steps your supervisors take toward building their leadership skills. Sometimes a supervisor's steps are so small that you can hardly see them. But they will get there with a little encouragement. Independent decision-making is what you pay supervisors for, so boost their ability to make decisions. Create a link between your supervisors' behavior and the reward and recognition or constructive criticism you provide. You have to give feedback that's immediate, specific and performance-related, and you have to set consistent standards and evaluate their progress to these standards.

If recognition is the number one need of hourly employees, why would we think that it would not be the number one need of a supervisor? It is. Recognition builds self-confidence. People wear it like clothes. Your employees will notice that your supervisors are confident and will look up to them.

6. Be an example to your supervisors. If your supervisors are on stage all the time in front of you, then you, too, must be on stage. Never walk past shoddy service, shoddy quality or shoddy presentation. If you do, you set that example for your supervisors. You must set an example by never letting your standards drop, by telling them the truth—as hard as that can be.

If you want your supervisors to care about your customers, your employees and your operation, you must show them you care, too. Schedule a formal meeting with your supervisors. If you say that spending time with your workforce is one of your goals, and it's not in your calendar, it's not going to get done.

Make sure your supervisors carry around a list of every employee who works for them. That list should include each person's work anniversary; birthday and 90-day, six-month and one-year review dates. And when you make one of your visits, you should get that list out and make a point of congratulating your employees. You can be sure your supervisors will do so, too.

7. Avoid robot programming. Mechanical robots are entering the work force, and their presence raises some interesting thoughts. Robots don't get benefits, they don't get overtime and they don't go to sleep. But robots also don't make decisions, and because they don't make decisions, they will never replace supervisors. And yet we have the tendency to robotize our managers. We tell them, "It's in the manual." Well, on an average day, a supervisor makes a decision every 30 seconds. If he or she were to go pick up the book every time a decision had to be made, nothing would get done. Please don't think you can get away with handing your manager the four-pound manual and saying, "It's all in here. You don't need me."

We fail to delegate because we fail to trust that our supervisors have enough judgment to get the job done.

Your supervisors need to know how you want the job done. You should be thinking, "What can I do, what can I give them, that will increase their ability to make a decision with my name on it?" That's what you hire these people to do: to make decisions with your name on them. They don't always make them as you would make them, but that's the goal. You must discuss your business philosophy with your supervisors; you have to talk about business and ethics and service. Supervisors can't get employees to do things your way if they don't understand what your way is.

8. Be a positive influence in your restaurant. When you enter the operation, do your employees say, "Here comes help," or do they say, "Here comes trouble?" Do you go through the place with a white glove, either verbally or physically? Do your employees look at you with the same look they give the health inspector? If you go through itemizing the faults of the operation—and not the merits—then you are not going to be a welcome person in your own operation. And that's really not why you got into business, is it?

Everyone has an emotional investment in his or her ideas. We take it personally when someone doesn't like what we have to say. It's a very ego-sensitive thing for somebody to criticize your work, but it has to be done. The feedback has to be there. But try not to put your supervisor on the defensive because a defensive supervisor is a liability to your operation. It's like kicking the dog. You kick them, they kick the employees and the kicking goes right down the line—hopefully not all the way down to your customers.

9. Teach supervisors how to protect you legally in every area. Make sure that you are legal by the laws of your state and by federal law. Look at the complexity of employee law right now. There is worker's compensation, disability, sex harassment, liability, unions, immigration law, drug and alcohol issues, and AIDS. There is a lot happening right now, and if your supervisors don't know about it, they can't protect you. Make sure at least one person in your organization understands employment law and ensures that you follow it.

If you want to keep organized labor out, then you'd better keep your operation legal. If you write ambiguous policies and procedures, you should know that in a court of law they will decide against the person who wrote an ambiguous policy. The judge assumes that you wrote it because you wanted to sneak something through. If you have an employee handbook, I urge you to either specifically include or specifically exclude supervisors. Otherwise you can risk liability because ambiguity can open you up to an employee suit.

Stay on top of legal issues through continuing education. The National Restaurant Association, your state associations and local business operations can all provide information. Subscribe to monthly publications. I get one called *O'Brien's Employer's Labor Letter*, which specifically deals with employment law. I read in there about a waitress in Oakland who complained to the manager that the toilet was stopped up. She complained again the next day. On the third day, she said that if he didn't get the toilet fixed, she was going to sue him. He fired her. She sued him, and a jury gave her $1.5 million. You may say to yourself, "That's weird. That doesn't happen." The day of believing that it cannot happen to you is over; it can happen to anyone.

10. Let go. Delegation is the highest art of management. This is the hard one. You know why you don't let go? You're afraid you'll lose time, you'll lose money, you'll lose control and, maybe, you'll lose face.

Well, you can't do it all yourself anymore. If you're so busy worrying about the $10 that was overpaid to the produce company that you miss the fact that Joe, your new kitchen manager, has lost six people in the kitchen in one week, I don't think your priorities are in order. We fail to delegate because we fail to trust that our supervisors have enough judgment to get the job done.

Sometimes it's just hard to give up pet projects. You like making orange muffins, and you don't want to let Manny make them. It's sort of therapy to stand there and beat that batter. But it's time to give up the orange muffins.

I know you've heard before that delegation is the highest order of management. It takes time, effort and a great deal of analysis. First you've got to decide to whom you're delegating the responsibility, and then you have to put it in writing. If Mary is now in charge of scheduling, then it becomes part of Mary's written job description. Mary has to make a commitment to doing the scheduling, and she has to see that all the standards that you set for scheduling are followed.

Once a duty has been given to a responsible person, don't you feel relieved? You don't have to do this anymore, and that's a good feeling.

11. Help build written communication skills. Writing is a lost art. "But what do supervisors have to write?" you may ask. They have to write memos, letters, job postings and performance reviews. But not many do, and this documentation can make a difference if you ever go to court.

I use something called a "notice-of-incident" for documentation. It means that an incident occurred that was worth noting—positive or negative. The other thing I require of all my supervisors is a management diary where they keep a daily log of their management activity. These make great reading, by the way. You'll learn so much about the individual who's doing the writing. I had to read one the other day because we had a problem in one of the departments, and I saw in there, "I asked Kathy McGinley not to speak to this employee, but she did it anyway."

12. Help to identify a career path and goals for your supervisors. All behavior is goal-directed, need-satisfying and justifiable to your supervisor. So every six months you'd better check and see what their goals are to make sure that they are the same as yours.

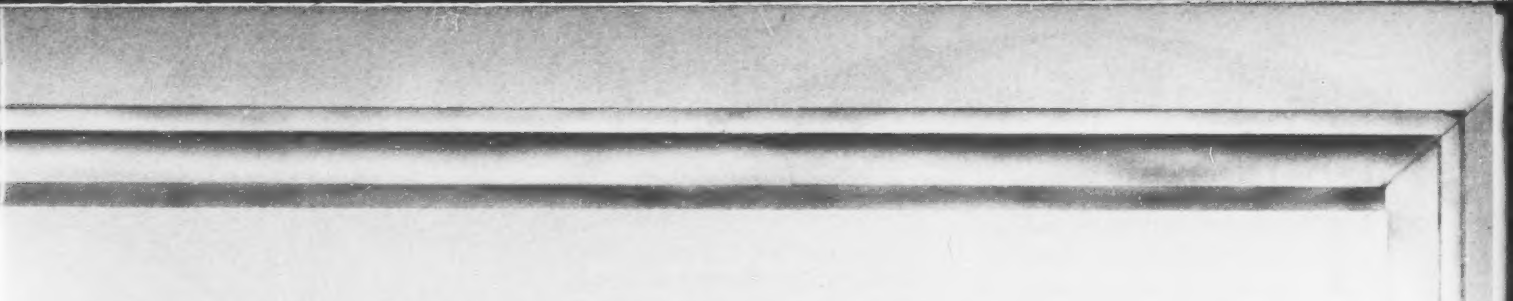
The service sector has come up with 12.6 million jobs since 1982. That's 12.6 million people who are supposed to think that service is a good job. One of the things we keep hearing is that they don't. We need to take a good look at the people who work for us, including our supervisors. We hear horror stories about servers who are sullen, indifferent, careless, even hostile. "I'm a bartender until I get through college." "I'm a waitress until I get my husband through the Navy." All that says is, "I'm here, but I don't want to be." That's because they don't see the career path. We have done a terrible job of showing people in our industry where the opportunities are. So first of all, we need to better outline career paths.

Secondly, we need to impress upon service personnel that there is inherent dignity in serving people. It seems to be particular to this country that people don't see that. Who's going to set the example for service in your restaurant? You are. You're going to get out there and wait on a customer the way you want it done. You're going to show that you, the owner of the place, serve people and you still have dignity. Believe me, that will carry through your entire operation because that's a standard that you set for your supervisors. If you improve the self-image of your supervisors, they will improve the self-image of your servers.

13. Assume that your supervisors are mature, intelligent and professional. If you decide that supervisors are worthy of your respect, then most of your interactions with them will be positive. If you decide that all supervisors are immature and unprofessional, then most of your interactions will be negative. Treat them with the same respect you accord your peers.

In sum

So, you see, you've got to let your supervisors go. You've got to let them get out there and try a few things. Yes, you should direct them away from some of the pitfalls, but never stifle their enthusiasm. ❑



A CHECKLIST FOR HIRING MANAGERS

Developing a good relationship with your managers starts at the beginning—when you hire them. Here are some tips to keep in mind the next time you hire a manager for your operation.

1. Don't hire out of desperation. Project your needs and give yourself plenty of time to review the candidates. Repeatedly, management pros note that bad managers are hired because not enough time was set aside for recruiting and hiring. Usually one interview is not enough to get a good look at the candidates for managerial jobs.

2. Remember you hire as is. What you see is what you get. Skills can be built, but the raw talent/character must already be there. Get to know the candidate during the interview process.

3. Look for a people person. A manager who does not like people or work well with them is a liability to your operation—not an asset. Assess this by drawing out the candidate's experiences in other employment situations.

"This tells a lot about the person—what skills they already possess and what expectations they come with," says Al Hughes, director of support systems for Sizzler Restaurants. You can ask such questions as: "Do you mingle with customers?" "How often do you meet with your people?" "Where do you position yourself during busy times?" Specifically, you should look for indications that the candidate can communicate, motivate, train and discipline employees.

4. Look for someone honest. This is one of the top qualities noted by most operators, but not an easy one to ascertain. Although many hiring veterans agree that deciding whether someone can be trusted comes down to intuition, honesty must be considered during the hiring process.

5. Examine previous successes. Assess potential by looking at candidates' successes at other restaurants. Be sure to note what they (not others) initiated and developed. "Ask them about their successes—what they initiated. Those that respond immediately have successes," notes Richard Giannino, director of human resources at J.C. Hillary's Limited, Boston. Remember, a good manager is willing to try out ideas, yet is realistic enough to revamp programs that do not work out the first time.

6. Establish leadership ability. Reference checks can be helpful here but so are pertinent questions. "I ask a person to describe the best supervisor they ever worked for," says Giannino. "You can quickly pick out the shallow person of no substance from one who recognizes the qualities of the leader."

7. Look for good business credentials. Because a percentage of the restaurant business is technical—reports, profit and loss statements, schedules, etc.—managers need technical expertise and business skills—from accounting to marketing.

8. Look for someone with a service bent. The whole concept of serving may be distasteful to some candidates, but they may not realize it. "You must try to see if a person has the right inclination to give customers what they want," says Fred Ley, senior director of field personnel at Pizza Hut, Inc., in Wichita, Kansas.

Ley invites candidates to sit with him at busy times to talk about the job, to observe what the job entails and to discuss difficult situations that arise. "I think that by letting them observe the action on a Friday or Saturday night when all hell is breaking loose, we have a better chance of getting the right person."

9. Look for enthusiasm for hard work. Because of the long hours that routinely are a part of restaurant management, it is good to look for a person who is committed to the job and has a realistic view of its demands.

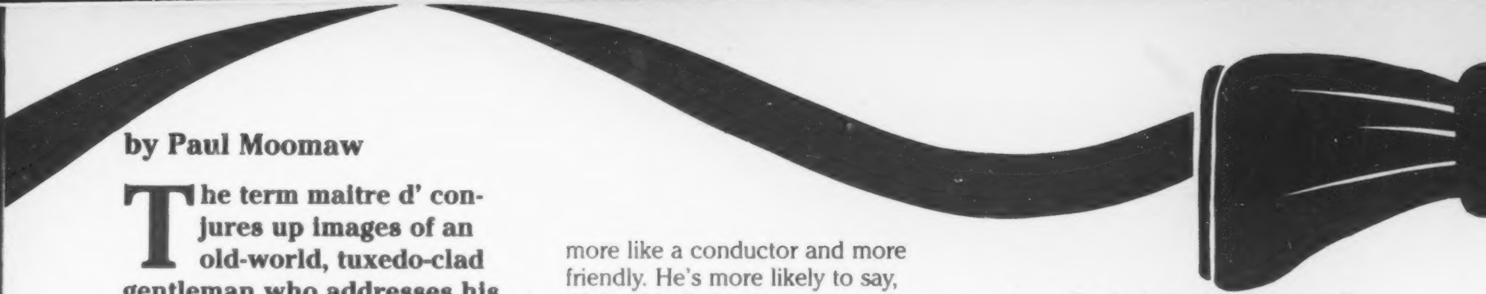
10. Probe potential problem areas. You can get an idea about potential problems by asking the candidate to discuss any negative job experience. Some operators also make it a point to ask about drug and alcohol use.

11. Talk about the good things you do for managers and hourly employees. If you have an excellent compensation or bonus program be sure to tell the candidate about it.

12. Look within your operation. Today, more than ever before, good managers are being developed from hourly and entry-level staff. For district managers, this means constantly talking to people in the field to assess their abilities. For unit managers, this means spotting people on a day-to-day basis who may have potential.

Some companies have a policy of only recruiting managers from their own ranks. "We look for shift managers and assistant managers to promote to managers," explains Ley of Pizza Hut, who gave up hiring from the outside years ago. Describing his approach, he says, "We want to get people earlier in their career and groom them and keep them. Our approach is to grow our own." ❑

—Kathy Boyle



THE CHAN
OF THE

by Paul Moomaw

The term maitre d' conjures up images of an old-world, tuxedo-clad gentleman who addresses his patrons with a European accent, leads them to a table and bows away after an exchange of refined dialogue. This distinguished, aloof image of the maitre d' has been perpetuated for decades in movies and literature, but it may not exist much longer in the modern restaurant.

In some establishments, the title of maitre d' is being abolished in favor of "house manager," "director of dining services" or other corporate-sounding titles that are symbolic of the Americanization of the restaurant business. As the traditional maitre d' adopts a less intimidating stance, the relationship between maitre d' and patron is becoming less formal. And women are finally entering a field that has never been open to them before. These are just some of the changes facing the modern maitre d'. But what do the changes mean? Are modern maitre d's a new breed of restaurant service people dedicated to better dining through efficient service? Or do the maitre d's mark the end of an era of high standards for hospitality and elegant dining? Operators are divided about the implications.

Yes:
It's time for a change

Operators favoring the change are very matter-of-fact, saying it fits in with the times. Today's restaurant setting is more relaxed, the restaurant patron is more sophisticated and the generational standard of appropriateness has shifted—more so in some parts of the country than in others.

"Years ago, the maitre d' role was a little starchy. He was almost aloof," says association past president Ted Balestreri, co-owner of Monterey, California's Sardine Factory for almost 20 years. "Today he must be more like a conductor and more friendly. He's more likely to say, 'Hello, Mr. Smith, how are you? How's the wife?' instead of 'Good evening, Mr. Smith, sir.' Rather than aloof, he has to be more hospitable, less intimidating."

One explanation for the more relaxed attitude of the maitre d' is the more casual restaurant atmosphere of today, especially on the West Coast. "California has a little more casual lifestyle," notes Balestreri. "In New York, you've got the power broker lunch with people in dark suits. In California, people are more likely to be talking about their golf or tennis game."

The maitre d's role may also be changing because of a shift in the mindset of restaurant owners and their patrons. To Alex Brennan-Martin, co-owner of Brennan's of Houston, the change in the modern maitre d' is merely a reflection of current attitudes. "People view the restaurant business in a different light now," he says. "I think you used to have those old-style maitre d's—the intimidating, aloof types. But people just don't want to be treated that way anymore. They have too many other choices.

"The stereotypical maitre d' is fast vanishing," adds Brennan-Martin. "In fact, we don't even use the term maitre d' anymore. We call them front-of-the-house managers."

At The Manor in West Orange, New Jersey, manager Stephen Meier agrees that the tide is shifting away from a formal, stilted atmosphere. "We may try to be less formal than we used to be," says Meier. "But I think that is the trend everywhere, although there are still some strongholds of formality in New York and other big cities."

Although The Manor has not eliminated the title of maitre d', they are concerned with keeping him an approachable character who won't turn off patrons with intimidation. "Our setup is such that we try to avoid having a maitre d' appear intimidating," says Meier. "For instance, some restaurants put a physical barrier between the maitre d' and the customer. I've seen restaurants where the maitre d' is behind this huge desk or podium. By design, we have a small podium to eliminate that barrier."

Although these changes in attitude toward the maitre d' may not be surprising in a country that seems increasingly concerned with leisure and informality, they are noteworthy in a profession that is steeped with tradition. The term maitre d' is a shortened form of the French phrase *maitre d' hotel,* which originally meant "master of the house." In the past, the maitre d'hotel in a royal household was a high-ranking person—sometimes a person of royal blood. This person would oversee all the departments of the royal household, including the kitchens and cellars. It has been a long road from the royal maitre d' hotel to the modern "director of dining services."

No:
It's a symbol of declining service

Although some view the change in the maitre d's role as a victory for better restaurant management, others feel that the change is a mistake that may be taking away the last unique quality of upscale restaurants: hospitality. In fact, association past president Walter Conti, longtime owner of the Conti Cross Keys Inn in Doylestown, Pennsylvania, maintains that the changing role of the maitre d' is a symbol of the restaurant industry's road to self-destruction. "The position of maitre d' has not changed," says Conti adamantly. "The people filling the role have changed. Our industry is on the verge of the greatest success it has ever had, yet it's about to collapse."

Paul Moomaw is a communications specialist at the National Restaurant Association.

Conti maintains that the decline in formality on the part of maitre d's is a symptom of overall declining service in the restaurant industry. This decline, Conti feels, leads patrons away from upscale restaurants to cheaper alternatives. "If a maitre d' just shrugs his shoulders at a customer or ignores some members of a party, people are going to say 'Why pay for that?' " says Conti.

Conti, who has owned his restaurant for more than 20 years, doesn't draw distinctions on geographical lines. "It's happening all over," he says. Conti has some definite ideas about what makes a good maitre d'. "The maitre d' has two roles," he explains. "First of all, he must manage the front of the house: instilling discipline, training the staff, etc. Second, he must function as a personality. He must be neat, have good presence and style, and be courteous and kind. And he practically needs a degree in psychology. Experience in all areas of the restaurant is necessary, too." According to Conti, "We look for someone who has paid his dues. He should have worked two years in the kitchen, a year at busing, two years waiting and a year as a captain. Then, after all that, he can become assistant to the maitre d'.

"The owner can function as maitre d'," adds Conti, who often plays the part himself. "In fact, the maitre d' should be an extension of management. If someone came to me right now and said, 'I want to be your maitre d',' I'd say, 'Fine, but you've got to put in five years at my restaurant first. I don't care where you've been maitre d' before.' "

GING ROLE
MAITRE D'

Conti agrees that the maitre d's of today are less formal than in years past, but he doesn't accept a change in societal views as an excuse for decreased formality. "Absolutely not," says Conti. "That very philosophy is the mistake and the problem. Formality is not the issue. It's courtesy. In this restaurant, every customer is called by his last name. And people love it! Whether it's a $10 restaurant or a $100 restaurant, that's how it should be. While Conti is a hardliner when it comes to maintaining the traditional service role of the maitre d', he isn't concerned with perpetuating the stereotyped view of the person holding the position. In fact, he welcomes the idea of women in the role of maitre d'. "Yes," says Conti, "they're great at it. They still have the sensitivity to people. A maitre d' doesn't have to be the old, foreign-born, gray-haired male of the past.

"A good maitre d' just has to have total dedication to his or her profession and a total understanding of the duties as well as a certain amount of presence—that undefinable quality. It's not meant to be power or intimidation; it's professionalism."

For Walter Conti, the idea of making the maitre d' a mere host or hostess is sacrilegious. The traditional function is just too important. "The maitre d' is the key to a good restaurant. He is a symbol of hospitality—or at least he should be."

Oreste Carnevali, who has been the Four Seasons' Manhattan symbol of hospitality for 21 years, would fit anyone's description of the classic maitre d': foreign-born, foreign-educated, multilingual, sensitive to the logistics of food service and, above all, gentlemanly. Like others, Carnevali is unimpressed with the changes he sees in the modern maitre d'. "The traditional maitre d' is certainly dying out," says Carnevali. "The young generation of maitre d's are different. They do not speak several languages, and they seem eager to go into some kind of managerial position."

Carnevali, who is from Italy but attended school in Switzerland, thinks that proper training is important. "A good maitre d' has very wide experience—in the kitchen and everywhere in the restaurant," says Carnevali. "It is important that he go to school because the maitre d' must understand cooks. You see, a good maitre d' can get things from the kitchen that a waiter cannot get."

According to Carnevali, the new breed of maitre d's are offering a diminished level of service, both here and abroad.

Carnevali does not feel, however, that the diminished level of service is driving customers away from upscale restaurants. "To the contrary, I think that good restaurants are gaining in popularity. But the younger customers today do not require the same level of service as in the past. They are very flashy—they order the caviar and champagne—but they don't know what kind of service they are getting."

The maitre d' who speaks several languages seems to be a dying breed, too, says Carnevali. "It can be very helpful to speak other languages when you have European guests who do not speak English. Until a year or so ago, we were not getting so many Europeans. But now, with the dollar the way it is, we've got Europeans galore." Carnevali practices what he preaches: He speaks English, French, Italian, Spanish and German.

But the worst change of all, says Carnevali, is the lack of consideration shown by the new breed of maitre d's. "The old-fashioned maitre d' would always respect the customer. If the customer were wrong, the maitre d' would make him believe he was right. You cannot be snappy with customers. But these young maitre d's tend to be snappy and fresh with customers. They have a sort of 'who needs you' attitude. I am about 50 years old," says Carnevali, "so I am from the old school which says that the customer is king."

Verdict still out

So it appears that the verdict on maitre d's has yet to be delivered—there are as many opinions about the changes in the maitre d's role as there are restaurateurs. To some, the changes are symbolic of a new, more effective management style for American restaurants. To others, the changes represent the decline and fall of the art of creating a fine dining experience. Either way, a restaurant tradition is in a state of transformation. ❑

FRANCHISE PARTNERSHIPS

by Dorothy Dee

Cross franchising is a new partnership arrangement catching on in the franchise sector: Companies with similar management styles and business philosophies—but different products—are coming together under one roof to split costs and boost profit.

At the same time that many top executives of franchise foodservice companies are trimming their menus to more strongly resemble the successful initial offerings of their organizations' beginnings, contrary trends are also afoot. Fast food and midscale chains are teaming up with franchises similar in size, management style and philosophy.

Dorothy Dee is a freelance writer in Bethesda, Maryland.

Some fast food and midscale chains have even chosen to open their doors to other franchises to enhance their menu, erecting stations within their units and acting as franchisees to franchises that offer signature items. And some franchises of large conglomerates, such as The Pillsbury Company of Minneapolis, offer signature items of chains in sister combination units resembling mini-food courts. Why are these partnerships taking place? There are many benefits to this shared arrangement, and increased traffic and sales top the list.

☐ **Menu & image enhancement.** Pairing one popular signature item with another both broadens the menu and enhances the overall image of the operation. In the mind of the customer, the combination franchise may assume the quality image associated with one or the other concept.

☐ **Increased customer counts and big sales.** By broadening the menu to include various concepts, the combination unit attracts more and different customers. For instance, a hamburger concept linked with an ice cream franchise attracts the snack customer who might visit the estab-

SUNDAES!
TOPPINGS
STRAWBER

At Nathan's Famous, Inc.'s Yonkers, New York, store, the unit's managers are all trained in the Ben and Jerry's concept. "They are Nathan's managers first and Ben and Jerry's managers second, and they are able to operate both operations successfully," says Nathan's CEO Steven Buckley.

lishment mid-morning or mid-afternoon. At the same time, traditional lunch and dinner customers get the opportunity to top off a meal with a premium dessert.

☐ **An effective advertising vehicle.** Featuring different types of menu items in combination increases brand awareness and product presence by expanding the overall distribution system and advertising products to customers who would not normally seek them out.

☐ **Building on a captive audience.** In fact, cross franchising at nontraditional sites, such as tollroads, turnpikes and train stations, delivers the product's message to a high volume of prospective customers when they may be most susceptible to purchase.

There are operational benefits as well.

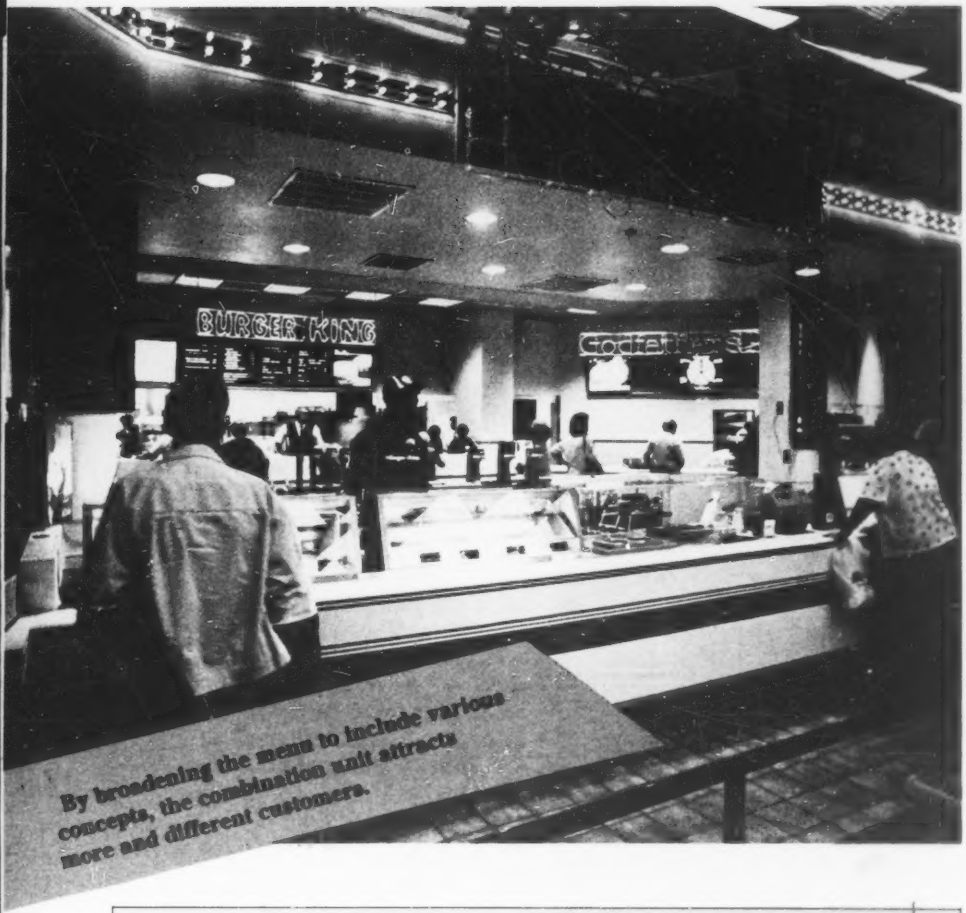
☐ **Access to prime sites.** Cross franchising multiple concepts may offer companies access to prime sites normally out of reach without the combined marketing strength of the other concepts. Vince Brown, vice president of corporate development for Dunkin' Donuts Incorporated, suggests that Dunkin Donuts might not have had access to prime locations, such as Manhattan's Grand Central Station and Pennsylvania Station, were it not for the fact that its Manhattan franchisee, the Riese Organization, often features the product line in innovative combinations with other leading food concepts.

☐ **Lower construction costs.** With the values of land and construction soaring, cross franchising is a less expensive alternative to erecting two concepts on separate sites. Two concepts operating under a single roof share the same eating area, rest rooms and other facilities, reducing initial construction costs.

☐ **Easier financing.** The multiple franchising concept may well aid prospective franchisees in obtaining easier and better financing by documenting greater sales potential.

☐ **Shared overhead costs.** For the most part, overhead costs are the same with one or more concepts operating under the same roof. Cross franchising gives the operator a chance to maximize sales potential while keeping overhead costs more or less stationary.

☐ **Greater utilization of staff and management.** Cross training staff and management in more than one concept offers the operator greater flexibility in managing traffic flow during busy hours and sudden rush periods. At the same time, employees may be more satisfied with more diversified assignments. Arthur Becker, vice president of marketing for Taco John International, says, "You have savings in crew time. If there is a big rush on the taco side, you move more staff over there and vice versa." At Nathan's Famous, Inc.'s Yonkers, New York, store, the unit's managers (a general manager and three restaurant managers) are all trained in the Ben & Jerry's concept. Steven Buckley, executive vice president and chief operating officer of the $25 million, 18-unit Nathan's chain, says, "They are Nathan's managers first and Ben & Jerry's managers second, and they are able to operate both operations successfully."



By broadening the menu to include various concepts, the combination unit attracts more and different customers.

How it works

Although there are as many variations of the joint ventures as there are partnerships, cross franchising configurations occurring in the industry are primarily 1) the franchise within the franchise, 2) combination units offering subsidiary signature items or 3) combination units featuring the signature items of separately owned leading chains.

I

Franchise within a franchise

In this arrangement the franchisee or company-owned unit of one franchise also chooses to be a franchisee of another organization. Typically, the unit selects a second franchise that offers a complementary signature menu item. The new franchisee performs all the traditional activities of that capacity, including erecting a suitable station within the unit to sell the product, staffing it with personnel and purchasing product and supplies from approved distributors. Likewise, the new franchisor performs usual franchisor functions, such as training the franchisee's staff in the new concept, offering assistance in organization, merchandising, etc. Usually the franchisee bears all costs of overhead, including personnel costs and keeps all proceeds from sales except for franchising fees, royalties and any agreed-upon advertising costs.

An example of a franchise-within-a-franchise concept is Nathan's Famous, Inc.'s Yonkers, New York, store. Since late 1987, the unit has operated as a franchisee of Ben & Jerry's Homemade, Inc., selling 34 flavors of Ben & Jerry's superpremium ice cream. Although considered to be a trial test, corporate management says the venture at the high-volume Yonkers store has proven successful. "The unit is very successful," says Nathan's Buckley. "It provides strong incremental sales that substantially drop to the bottom line." Buckley estimates that incremental sales at a Ben & Jerry's and Nathan's combination unit could range from $200,000 to $300,000 a year.

Arby's Flour Pot Cookies and how they grew

According to Ira Hermann, executive vice president and chief operating officer of Arby's, it started with a 200 square foot $12,000 kiosk at Tulane University. Hermann is referring to Arby's Flour Pot Cookies, the in-store kiosks that began featuring cookies and ice cream to Tulane students and are now one of the hottest new concepts in the 1,700-unit roast beef chain.

Why did Arby's develop the kiosks? Hermann explains, "We felt there was an opportunity to expand our cookie line, but we didn't want to go to the expense of putting in a freestanding restaurant. We also wanted a captive audience that we could get an immediate reaction from." The initial test showed that business soared during normally slow day-parts, and 85 percent of those sales were cookies.

Less than one year later, cookie kiosks, some offering ice cream, cinnamon buns, muffins and coffee in addition to cookies, are operating in 10 franchisee and 7 company-owned Arby's, with some units doing as much as $1,000 a day in incremental sales. Hermann attributes the concept's luck to the new-found snack customer. "People don't come to the restaurant at high frequency between 1:30 and 4 p.m., but if you get them in for a snack item, it really opens it up." Arby's found the kiosk concept highly adaptable, easily converting to a mini-breakfast operation and sometimes a drive-thru accompaniment.

Another successful example of the franchise-within-a-franchise concept is the marriage of the 19-year-old Tex-Mex chain Taco John International with Bresler's 33 Flavors, Inc., known for its quality ice cream. Although Taco John was at first fearful that customers might reduce entree consumption to make room for dessert, the results of an eight-month test have dispelled this fear. In fact, vice president of marketing Becker says that gross sales in units with the combination concepts are higher than at some single-unit Taco John's.

2

Combination units featuring subsidiary signature items

A conglomerate or franchisee of a large organization owning several food concepts may decide to expand its menu and day-part offerings by becoming a franchisee of several of the parent company's subsidiaries. The operator of the unit maintains separate franchising agreements with each of the subsidiaries. One example is the Uni West Development Corporation, a franchisee of Burger King, Häagen-Dazs and Godfather's Pizza, all part of The Pillsbury Company. Uni West Development operates a 10,000-square-foot facility featuring all three concepts on the second floor of the Mint Casino in Las Vegas, Nevada.

3

Franchisee offering signature items of different leading chains

This arrangement is similar in theory and operation to combination units selling subsidiary signature items. One example is the Marriott Corporation which acts as a franchisee for both Dunkin' Donuts and Popeye's on the Indiana Tollroad and Ohio Turnpike. It operates four combination units featuring those concepts in that area. Another case in point is the Riese Organization, which operates a number of successful combination units in prime locations such as Manhattan's bustling Pennsylvania Station, Grand Central Station and Wall Street. These units feature various combinations of the Dunkin' Donuts, Pizza Hut, Church's Fried Chicken and Roy Rogers concepts.

Despite their different arrangements, units that cross franchise manifest many similarities. They feature signs bearing the concepts' trademarks, staff wear the uniform of the concept they are working, workers are managed and wages are paid by the franchisee operating the combination unit, and separate registers are used to maintain separate accounting records for each concept.

In sum

Cross franchising offers numerous opportunities for operators, but establishments must be wary of image blurring and any possible reduction of the original concept's sales. Some foodservice chains have elected to discontinue some cross franchising tests. Wendy's International and BaskinRobbins USA, Co. decided to mutually end a 15-month test, and the 7-Eleven convenience store giant ended tests with Hardee's and Church's Fried Chicken. Jeff Furman, vice president of Ben & Jerry's Homemade, Inc., suggests, "The major concern is understanding that you are tying in with a company that has a certain image and operational requirement."

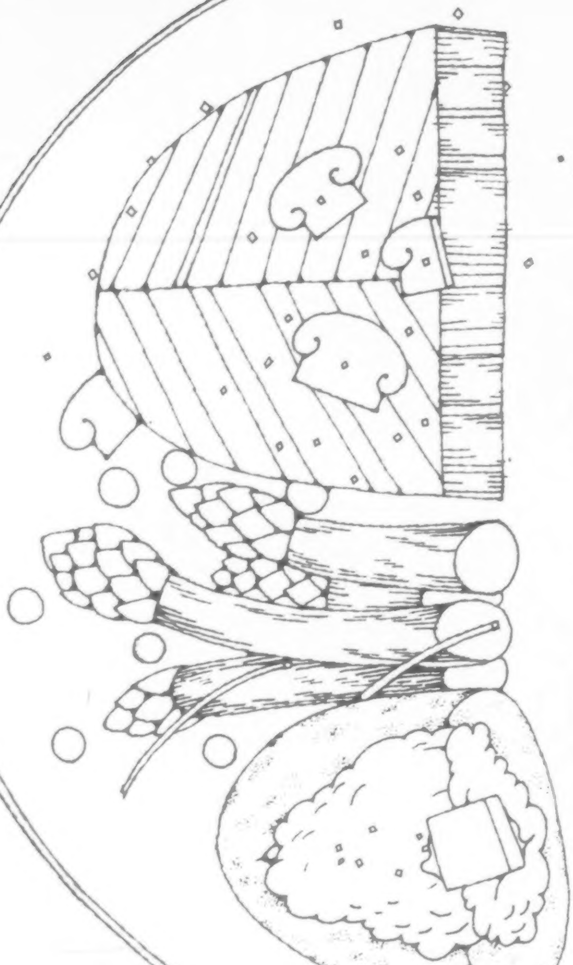
The success formula—what to look for

☐ **Similar theme.** If you are interested in exploring cross franchising, look for operations that have a similar theme. To maintain the identities of both concepts and uniformity of decor, look for a partner whose theme approximates your own. When looking for a strong dessert program to add to the Nathan's Famous menu mix, the organization was attracted to both the style and menu of Ben & Jerry's Homemade, Inc. "We wanted something distinctive that also had a flavor of Americana that we feel is part of Nathan's. Ben & Jerry's is a unique style of operation that happens to blend very attractively with the Nathan's unit. We feel that the combination of Ben & Jerry's and Nathan's adds a new dimension to our operation," says Steven Buckley, executive vice president and chief operating officer of Nathan's Famous, Inc.

☐ **Complementary menu item.** Team up with a concept that offers a complementary menu item, which opens up day-parts by building traffic and sales during normal slow periods. For instance, Las Vegas's Mint Casino now boasts a combination unit that features the menu items of Burger King, Häagen Dazs and Godfather's Pizza. Larry P. Gadola, vice president of development for Godfather's Pizza, advises, "Now you have a facility that has all the day-parts—breakfast, lunch, snack, dinner, takeout, delivery, even take-and-bake and hot slice (pizza by the slice). Arthur Becker, vice president of marketing for Taco John's, echoes this sentiment: "The addition of ice cream opens up that whole middle of the day snack. You get the office worker, factory worker, student during the 2 to 5 o'clock period when people are not really likely to be eating a Mexican meal."

☐ **Similar size and style**. Joining forces with an organization of similar size and management style reduces the possibility of conflict and increases the likelihood of a successful joint venture.

But a word of caution: Don't bite off more than you can chew. Tailor the union to your operation and customer base. Don't put in a full-scale station if your traffic won't support one. Explore other possibilities, such as a counter or kiosk. Combination units are most successful in areas with high-traffic volume.



To half or half not

Some operators are offering half-portions or small plates to their patrons and customers are welcoming the choice.

by Claire Regan

It used to be that small portions were reserved for children's menus or senior citizens' specials. But times are changing. Some operators are offering half-portions or small plates to their adult patrons and their willingness to do so is fueled primarily by efforts to increase customer service and/or check averages. Laurent Quenioux, executive chef and owner of Los Angeles' 7th Street Bistro (110 seats), noticed that many of his patrons were splitting full orders between them. Two years ago Quenioux decided to offer half-portions on his dinner menu. He claims the practice has increased repeat traffic. "I run a fancy restaurant with a national reputation, and people come here to taste the food. Half-portions allow them to taste more for their money. Plus, our menu changes every two weeks. People come back because they know half-portions are available, allowing them to taste three or four new items in one meal," Quenioux explains. "The perceived value is increased."

Other restaurants are counting on the same kind of acceptance. Last spring, Lawry's The Prime Rib Restaurant, Los Angeles, Dallas and Chicago, added a six-ounce "California Cut" to its menu—the first menu addition in 12 years. The dish is offered at $15.95, consistent with Lawry's other cuts of prime ribs and extremely popular. "The California Cut was developed in response to customer requests for more selectivity in portion size. By offering a lighter menu option, we better serve those customers' eating habits and lifestyles," says Richard N. Frank, president of Lawry Restaurants, Inc.

The practice of offering choices in portions is not limited to fine-dining establishments. Jack Caddell runs Hamburger Heaven, a fast food establishment in Birmingham, Alabama, and he partially attributes his rapid growth to offering a choice of hamburger sizes. He didn't start out with this in mind, however. When Caddell opened Hamburger Heaven five years ago, he featured a regular burger (4 ounces) and a jumbo (8 ounces). He soon realized that his adult patrons were buying these burgers for themselves but were going across the street to a competitor to get burgers for their children. Caddell boasts, "I eliminated that problem by adding a miniburger (1.6 ounces) to my menu.

Claire Regan, R.D., is manager/staff nutritionist for the National Restaurant Association.

We form our own patties from bulk freshly ground beef so it wasn't a problem."

Unexpected benefits

Operators who conceived half-portions with a particular benefit in mind have been pleasantly surprised by some of the unanticipated advantages. Nathan's (120 seats), situated in the heart of Washington, DC's bustling Georgetown district, features Northern Italian cuisine. General Manager Gregory Doherty says his reason for offering half-portions of pasta dishes was to encourage their consumption as an appetizer. "The halves of pasta increase the check averages, but we're also selling more wine as a result. People tend to order wine by the glass, a Chardonnay for instance, with their half orders of pasta, and then they order a different wine, by the bottle, to accompany their entrees." He adds that the half-portions of pasta have positioned Nathan's as a destination restaurant in a crowded market. According to Doherty, "people come to Nathan's because they know they can get halves on the pasta. This is especially true at lunch."

There may be problems

Despite the advantages of including half-portions or small plates on the menu, there can be problems. Gordon Sinclair began featuring half-portions two years ago in an effort to boost pre-theater sales in his restaurant Gordon's (135 seats, Chicago). Although he suspects the choice in portions has contributed to the operation's success, Sinclair admits it is a risky proposition. "I entered this project with trepidation. It increases the workload on the back of the house and the waitstaff." He explains that half-portions, offered on entrees only, are served on separate plates, almost as different courses. "The kitchen has more plates to call up and the rhythm of the service can be interrupted. For example, two people on a five-top order two half-portions each. On a busy night these two may end up waiting for their second half-portion while their friends are eating their entrees," Sinclair illustrates. And, the waitstaff at Gordon's initially was reluctant to sell half-portions because they anticipated lower checks and, consequently, lower tips.

Sinclair has managed to develop solutions to most of these problems. To better accommodate the increased production load caused by half-portions, Sinclair and his chef have made partial design changes in the kitchen. An additional stove and changes on the line have increased efficiency, but at a price of $5,000 to $6,000.

Because Sinclair prints his menu daily, this affords him the luxury of tailoring it according to forecasted traffic. "When we first began offering half-portions, we'd leave them off the menu on busy nights. We still might eliminate them when we have a real overload situation. But now so many people know about the half-portions, they request them even when they aren't menued," Sinclair exclaims.

To motivate his waitstaff to sell half-portions Sinclair coached them and offered an incentive. Working on a point system, double points were awarded for half-portions sold.

Another possible drawback of offering small plates and half-portions is that patrons may order only one as an entree. "We train our staff to discourage this primarily because we don't want our guests to go away hungry," says Sarah Graves, general manager of Corona Bar and Grill, a 114-seat contemporary Mexican restaurant in San Francisco. Servers explain that the "small plates" and "starters" the restaurant offers may not fill them up. "But if a patron realizes this and still wants only a small plate, we won't discourage it. Not everyone always wants to eat a full meal," adds Graves, who trains her staff to sell "modular dining," such as three small plates and three large plates to a party of four.

Laurent Quenioux of the 7th Street Bistro avoids this altogether by requiring a minimum order of three half-portions per person. His customers seem to have no problem with the policy, Quenioux estimates 80 percent of his dinners are half-portions.

When to offer, how much to offer and at what price

Determining portion size, price and daypart is another consideration for operators offering choices in portion size. Most literally halve the entree or pasta dish. Garnishes may merit special consideration though. Gordon Sinclair uses whole garnishes on half-portions, pointing out the ridiculous appearance of half a vegetable garnish. At Corona Bar and Grill, plate size is determined by the chef, says general manager Sarah Graves. "The chef will develop and test ideas for small portions. In a layered tortilla dish he might use a six-inch tortilla, but reduce it to three inches for a small plate," she says.

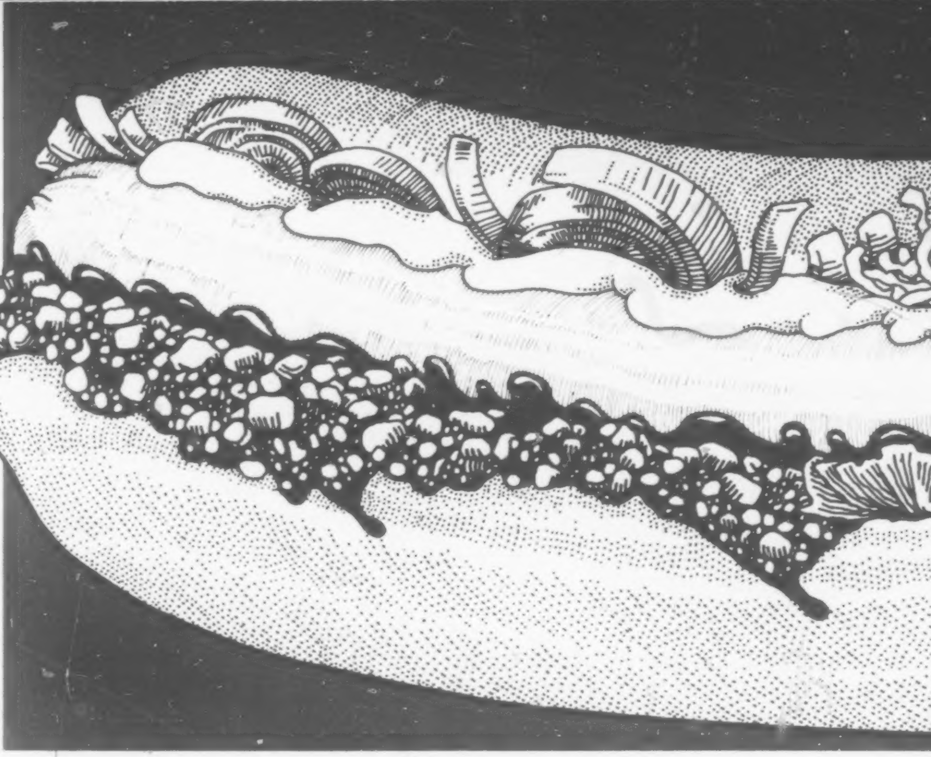
As with the size, most operators price portions half the price of a full order, plus a service charge ranging from 50 cents to one dollar. But in a price-sensitive market, such as San Francisco, it may be necessary to offer them for less. "I strive to keep small plate prices within the $5 to $7 range. If they run over $8 (half the entree cost), my guests are reluctant," Graves explains.

While some operators offer portion choices at both lunch and dinner, others have no demand for them at the noon meal. Laurent Quenioux maintains his lunch patrons do not have time for half-portions. "I'm located in L.A.'s financial district and am booked for lunch two to three days in advance. People have an hour and a half to eat. Half-portions are too hard on the kitchen and take too long to bother with at lunch."

Not for everyone

Just as the concept does not fare equally well at all dayparts neither does it seem equally appropriate for all operations. "I was the first in Chicago to try it," says Gordon Sinclair. "Others followed, but they stopped for some reason. Half-portions seem to appeal to the upscale 'foody' crowd—those people who are into food and are interested in tasting more than one dish. I'd recommend it to others with caution. Don't do it for the trend; do it to enhance the menu," Gordon advises.

Quenioux urges those operators known for their food to try the concept. "The perceived value is increased. People spend the same amount as when ordering traditionally, but they get more for their money, have more fun and they appreciate it," he says enthusiastically. ❑



IT'S A MAN-EA

Frankly speaking, the all-Americ

by David Slater

Call it frank, wienie or coney—the Toledo torpedo, tube steak or Texas red hot—whatever the name, in this age of gourmet pizzas and $9 hamburgers, there is still one traditional American food on which the value-conscious consumer can count—the hot dog.

Germany may have introduced the frankfurter to the modern world, but it was Yankee ingenuity that raised the dog to its current lofty heights. Americans refined the hot dog, inventing new machines, such as the Frankamatic, to prepare and serve it, surrounding it with a colorful vocabulary and dressing it in innovative toppings, from cheese and chili to tomatoes, potatoes, peppers, pickles and peanut butter.

Thanks to its resiliency and adaptability, the hot dog has become the stuff of legends, found in every ball park and shopping mall throughout the country, and, in some cities, on every street corner. Simple and fast to prepare, inexpensive and ideal for eating on the run, hot dogs are truly the quintessential American food. With nostalgia back in style, and value and convenience more important than ever, modern restaurateurs can look to the classic hot dog parlors for ways to teach an old dog new tricks.

Source of regional pride

In almost every section of the country, the hot dog has undergone subtle refinements that make it a unique source of regional pride. Steven Hiller, president of Redwood, California-based Ben Franks (10 units), refers to this fierce pride when he states, "The hot dog is a very opinionated product. I've been in the business long enough to know that it's unwise to argue about which dogs are best."

In several American cities, however, the citizens are not as reticent as Hiller, and a visitor will find it safer to insult the mayor or the football team than to criticize the local frank. Whether it is Cincinnati's coney dogs, topped with the city's distinctive chili, Washington, DC's spicy "half-smoke," Milwaukee's plump bratwurst or New York City's kosher-style franks from Nathan's and long, thin vendor dogs, Americans take their hot dogs seriously.

In Chicago, for example, the city's distinctive "garden on a bun"—a frank topped with mustard, relish, onions, tomatoes, spicy sport peppers and a dash of celery salt—ranks right up there with the old stockyards, the elevated railway and Wrigley Field. "It's the best, bar none," asserts Sid Kramer, owner of the First National Frank of Chicago, who believes the unique combination of toppings to be the key to the Chicago dog's greatness.

Jim McGuire, vice president of Vienna Sausage, the company that supplies 80 percent of the hot dogs consumed in the Windy City's restaurants, is quick to point out, however, that outstanding toppings alone do not a superior dog make. The perfect Chicago dog, he claims, has a natural casing frank, "with a 'snap' to it," boiled or steamed to retain the flavors and juices, and a compatible poppy seed bun that "is high in protein, is forgiving (takes well to steaming) and has a strong hinge." When you taste a dog that has these essential ingredients, says McGuire, "you're going to say to yourself, 'That's good, and I'd like another.' "

The upstate New York coney

"I'd like another" also comes naturally in Liverpool, New York, a suburb of Syracuse, when customers at Heid's (50 seats plus outdoor picnic tables) are confronted with the white hot dogs known locally as "coneys." According to Susan Platner, whose family has owned the Liverpool institution for 102 years, the "white hots" are made from a combination of beef, pork and veal and are always served grilled.

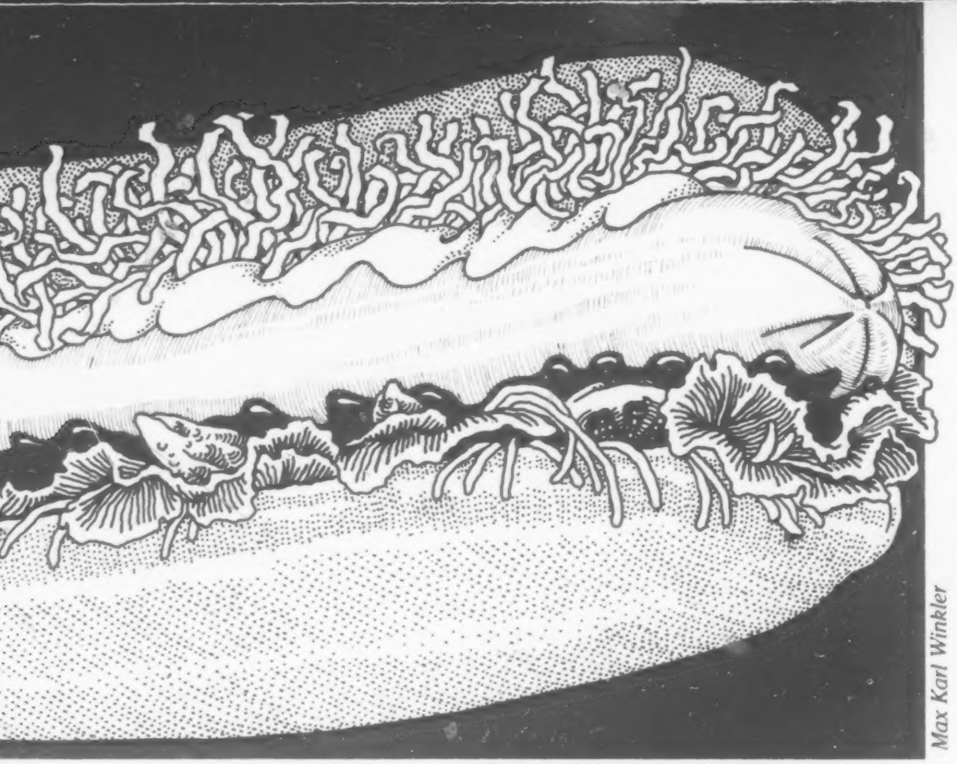
As any hot dog afficionado knows, there are points of distinction that separate the dogs from the pups and the fine hot dog parlors from the run-of-the-mill varieties. Platner cites several elements that have helped elevate the Heid's coney to the hot dog Hall of Fame. The dogs are cooked on a grill that is coated with a high-quality cottonseed oil, and the grill is used for nothing but hot dog grilling so it does not impart any foreign flavors to the dogs. In addition, the buns are not presliced but are cut open at the last moment to maintain freshness.

First-time visitors to Heid's encounter peculiar traditions that regular customers adhere to without hesitation. For example, there is only one condiment for the Heid's "white hot" or "double" (two coneys in one bun, a popular signature item)—a tangy, good quality mustard. "Ketchup, relish and onions do not go with a coney," asserts Platner with finality. And to complete the Heid's experience, the coneys are best washed down with ice cold chocolate milk.

Building the better coney

Hot dogs topped with chili are found throughout the country, but none is as unique as Cincinnati's version—a tiny, grilled weiner in a bun, smothered in mustard, onions and the city's distinctive sweet and spicy, tomato-based chili.

David Slater is a communications specialist at the National Restaurant Association.



Max Karl Winkler

T-DOG WORLD

an hot dog is as good as ever

At Skyline Chili Parlor (70 units), one of several local chains that specializes in the "Cincinnati five-way" (chili on top of spaghetti, topped with beans, cheese and onions), the coneys account for more than 30 percent of the company's sales.

The chili is the key to the Skyline coney, says Mike Ableman, the chain's field marketing manager, who adds that the company uses tiny, one-ounce wieners, shorter than the buns, "to ensure that you get chili in every bite." The coneys, when topped with grated cheddar cheese, are called Skyliners by the chain, but regulars fondly refer to them as "sliders" and "pushers." A chili sandwich, which is a Skyliner without the wiener, is popularly known as a "phoney coney."

Skyline serves so many coneys that the Lambrinides brothers, who founded the chain in 1949, invented a 2½ foot long stainless steel rack with a one-inch lip to facilitate coney preparation. The three-inch wide "coney rack," which holds up to eight dogs, is rested on one of the server's arms to free the other hand for garnishing.

The founders also devised a strict ordering formula that is followed at the chain's 70 units. In the calling system, the order-taker calls out the total number of coneys, then any distinctions from the regular coneys, then the total number of coneys with cheese (Skyliners), then any distinctions from the regular Skyliners, and finally the number of plates. For example, an order that consists of two regular coneys, two coneys without onions, two Skyliners and two Skyliners without onions, for four people, is called out as, "Eight, two no O, four cheese, two no O, on four." Simple enough?

"Rippers," "wellers," and "cremators"

It is the distictive lingo that invariably develops among the workers and regulars that creates the atmosphere of America's down-home restaurants. Hot dog parlors are a particularly fertile source of colorful language. At Rutt's Hut in Clifton, New Jersey, the restaurant's deep-fried dogs have given birth to an amusing, unwritten system of frankfurter nicknames.

Rutt's Hut's devoted customers, who have been downing as many as 16,000 dogs each week since 1928, specify their cooking preference by "calling them as they want 'em." A customer who wants the standard dog, pulled out of the deep fryer just as it begins to split open, orders a "ripper." Those who like them crispier go for "wellers." In between the two is the "well-ripper," and at the end of the hot dog line, almost burned, is the aptly-named "cremator." Those who prefer their dogs lightly fried and intact, says owner Nicholas Karagiorgis, opt for an "in and outer," which is given an abbreviated dunk in the hot vegetable shortening.

The specially made beef and pork dogs, Karagiorgis adds, are best when topped with tangy mustard and the restaurant's unique homemade cabbage relish. Although Rutt's Hut devotees from as far away as Alaska often call the restaurant for special shipments of frankfurters, these traveling dogs never taste the same, says the owner "because we can only put the magic touch on them when we cook them in the restaurant." And, he adds, "that's the whole truth and nothing but."

Head 'em up, move 'em out

As the wild West has faded into memory, some people romantically say that the cross-country trucker is the last remaining American cowboy. In reality, however, the street corner hot dog vendor appears a more worthy candidate to fill the cowboy's muddy boots. Each morning, these purveyors wheel their heavy wagons into position, braving the elements and stampedes of professionals and construction workers—just so they can bring their beef (and pork and veal) frankfurters to the hungry American workforce.

Like the men who guarded and moved the beef before them, these staunch individualists, such as Nick Peros, who works the stand at the corner of North Capitol and E Street in Washington, DC, pay a high price to be their own boss and begin the climb up the social ladder. "Sometimes people ask for a hot dog as soon as I pull the stand out at 7 a.m.," Peros laments, "and I usually don't get home until after 7 at night. But, it's worth it," he adds, "because I just don't like people ordering me around."

The product these vendors sell, too, knows no class distinctions. Virginia Ali, owner of Ben's Chili Bowl in downtown Washington, DC, where the plump, spicy Washington "half-smoke" was created, says, "The hot dog cuts across class lines. I can look in my restaurant any afternoon and see judges, yuppies and doctors eating with the postman and the regular guys from the streets."

Max Rosey, public relations director for Nathan's Famous (20 units), the original Coney Island hot dog chain that has been called "the spiritual home of the hot dog," agrees that the hot dog is "a culinary slice of American democracy . . . the choice of the man on the street."

Nostalgia is the reason the hot dog will endure, says Rosey, a self-proclaimed "hot dog historian" who eloquently traces the sausage's origin back to the Babylonians. "There's no question that the hot dog will be around forever," he asserts, "because it won't change, and you can't improve upon it. The hot dog will always be the hot dog." ☐

INFO 88

Few national conferences have acronyms as appropriate as INFO, the National Restaurant Association's Independent Foodservice Operator's Conference, this year cosponsored by Restaurant Management. The annual event gives operators the opportunity to take a break from their restaurants to consider ideas and solutions geared specifically toward the independent operator. The 147 information-hungry restaurateurs who attended this year's conference, held January 24-26 in Miami Beach, were inspired by a bountiful feast of presentations, workshops and informal exchanges.

The weather outside the gracious Fontainebleau Hotel during INFO '88 was unseasonably cold and breezy, but the atmosphere inside was decidedly warm and congenial as attendees shared ideas and information with industry experts and each other. Breakfasts, lunches and cocktail hours assumed a serious tone as operators compared problems and discussed solutions, many of which were sparked by speakers during group presentations and smaller breakout sessions.

Some of the presentations, such as "How to manage a family restaurant and remain a family" or "Fish and seafood essentials," were specialized in their appeal. Others, like Paul Bruno's "Performance-based interviewing," were of broader interest. Attendees agreed, however, that every session included unexpected tidbits of information that could save operators time and money.

"We found some very helpful ideas and evaluations—and reinforcements, too," said Nancy Sando, who attended the conference with her husband Thayne. Much of the information gathered at INFO, said the Sandos, will eventually go into effect at their American bistro, the Savoy Cafe (100 seats) in Warren, Pennsylvania.

Several recurring themes, all related to improving and maintaining profitability, were clearly on the minds of many of the speakers and operators. These hot topics included improving service, taking action against harmful legislation, dealing with suppliers and marketing to the press and to the public.

Service: the unexpected ingredient

Service was perhaps the most talked about topic at INFO '88. The conference opened with a presentation by **Robert Patterson**, managing partner at Laventhol & Horwath, who predicted that service will play a larger role in the industry in 1988 and beyond. Of the three main elements of a foodservice operation—decor, product and service—"service is the most underexploited," he said. (See accompanying article.)

How to provide great service was discussed at length in specific sessions and as part of presentations on other topics. **Gary Penn**, founder of The Professional Waiter's School, spoke of service techniques and attitude as two essential ingredients of outstanding service. "I don't believe that a good attitude can be taught," said Penn, "but I do believe that it can be cultivated. Creating a positive working environment and encouraging communication between waiters and management makes for a happy service staff."

Association director **Michael Hurst**, owner of Fort Lauderdale's 15th Street Fisheries, discussed the "circle of hospitality" that must be established in every restaurant. To keep employees happy, said Hurst, operators must respect the workers' goals, ensure the employees' continued growth and knowledge, involve them in menu changes and other key decisions and give them a reason to be proud of the operation.

Sincerity, said Hurst, is an essential attribute of effective servers. "We should never measure the effectiveness of our servers through sales figures," he asserted, because the customer can always tell if a waiter is making an insincere recommendation.

Dealing with suppliers

Tom Kershaw, owner of the Hampshire House Restaurant in Boston, discussed several aspects of the operator-supplier relationship. This relationship, he said, demands consistency on both sides, and operators must build a good working relationship by "working *with* the supplier." Specifying exactly what is expected of the supplier through accurate advance forecasts of orders and prompt, or at least steady, payments are two ways an operator can build supplier trust.

Don Gerald, general manager, Ralph and Kacoo's Restaurants in Louisiana, discussed bulk and co-op buying, which dropped his operation's food costs 4 percent. The key to effective buying, he emphasized, is "knowing your product."

Some products, such as canned tomatoes, said Gerald, can advantageously be bought in bulk.

Denise Fugo, owner of Sammy's Restaurant in Cleveland, asserted that many operations lose money by not closely examining everything that goes in and out the back door. She recommended putting a trusted part-time employee, such as a family member, at the receiving door to weigh all incoming orders—"after stripping off the plastic or shaking the ice out of frozen chickens"—and to carefully examine all invoices. A trash compactor in the kitchen, she added, can help ensure that nothing is stolen through trashcans.

Marketing takes a personal touch

Matthew Rovner, of Rovner Public Relations, Inc., Boston, outlined ways for restaurateurs to get inexpensive or free exposure in local markets by working with the press and through community events and promotions. Rovner asserted that all operations should allocate 3 to 5 percent of their gross sales to marketing.

In his fast-paced presentation, Rovner outlined the basics of press releases, couponing, direct mail and advertising, and also divulged effective tricks of the trade, such as writing personalized notes at the top of every press release and placing postage stamps in a crooked manner to make direct mailings appear more personal.

Leslee Reis, owner and executive chef, Cafe Provencal, Evanston, Illinois, said that focus groups were one of the keys to the successful turnaround of her American bistro, Leslee's, also in Evanston. Although she thought she knew her market, Reis said these professionally arranged focus groups showed her the reality about the composition and needs of her customer base.

Denise Fugo, whose responsibilities at Sammy's include business administration and marketing, emphasized that "You must know who is creating your base if you are going to expand it." Once an operator has compiled an up-to-date list of existing customers, she said, "You must call them on a regular basis to ask them what they want."

Fugo sometimes hires part-time workers to make her marketing calls and also uses these calls as an opportunity to tell customers about services, such as private party rooms, carry-out and catering.

Phil Roberts, president of Denver-based Premier Ventures, Inc., which operates five casual dinner-houses, discussed "multi-unit marketing clout." One of the ways he gets his restaurants' names out is through his innovative "marketing task force," staffed by two or three promising employees from each restaurant. Their duties "can range from working with charity events to knocking on doors to drum up party business," said Roberts, who added, "These employees often come up with a lot of our new marketing ideas."

Getting a perspective

No matter which sessions they chose to attend, INFO '88 participants left Miami Beach with notebooks full of ideas—and also with the renewed enthusiasm so vital to independent operators hoping to improve profitability in their operations. Sylvia Fisher, of Pondo's in Deland, Florida, echoed the sentiments of many of the attendees in saying, "When you're in your restaurant all the time you really need the opportunity to stand back and get your perspective."

1988 and beyond

A few trends for the times

by Bob Patterson

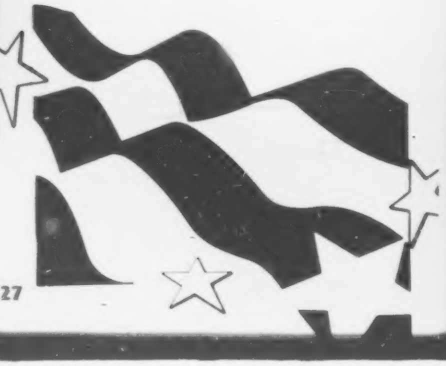
What are the economic realities operators are facing? What do customers want from restaurants? At INFO '88 Bob Patterson, managing partner of the Los Angeles office of Laventhol and Horwath, shared his insights based on more than 20 years of analyzing the industry. His session was one of the high points of the conference.

"If I had one wish for the industry, it would be a three-year moratorium on building new restaurants."

Before I make any predictions about the future, I think it's important to see how we have gotten where we are today. Trends in this business don't just happen in a year. Where we're going to be a year from now, two years from now and three years from now is an extension of where we've already been.

Last year was the seventh consecutive year of real sales growth in the restaurant industry. So that should be good news for everyone, right? It would be if there were only one side to the restaurant success equation. But there isn't. There is demand, and there is supply. Unfortunately for the restaurant operator, supply has kept pace with demand.

Even though total sales for the commercial restaurant group as a whole grew 90 percent from 1978 to 1986, we had so much growth in capacity—new restaurants, new units, new seats—that most food-only restaurants had sales growth of 51 percent, and food and beverage restaurants grew only 7 percent. That means they didn't even keep up with inflation. So, increased demand



hasn't led to windfall profits for those already in the restaurant business. Instead, the demand has been swallowed up by increased supply.

Five key realities facing the industry

What are some of the key realities that you will be facing in the near future? First, I would say that if you're counting on a dramatic increase in dining-out dollars to bail you out—don't. There were two things that drove the major sales we saw in the early and mid-70s, when six years out of 10 had real sales growth of 3 percent plus: an increase in the percentage of families with multiple incomes and the discovery of some underexploited dayparts (breakfast and snacks). The conditions for growth based on these factors have just about peaked.

I think it's almost certain that we'll see only modest growth in the near future because there isn't much left to fuel great growth. The National Restaurant Association forecasts growth of 2.9 percent in 1988. I happen to be a little more optimistic than they are. I'm not an economist, but I don't think we have adequately considered the impact of the declining dollar on the foodservice industry. It's going to help the industry more than some people think.

The Americans I know who traveled abroad last year came back and said to me, "I knew it would be expensive, but I had no idea it would be that expensive!" We have tremendous tourist destinations here in the United States, and I think some money is going to stay home in 1988. Everyone has already figured into their projections an increase in foreign travel to the United States. But, equally important, I think, is that a lot of Americans will stay home and spend their vacation dollars here. So I tend to be at the optimistic end of the scale. But you will have to compete for those modest dollars.

Here's another reality to consider. If you think you can raise prices without worrying about competition, you're pressing your luck. Looking at McDonald's sales figures for the last 10 years as an example, you can see that during the years that they enacted big price increases, sales were way off. We're dealing with a very price-sensitive consumer. That brings us to the next reality: Discounting and couponing are likely to continue. Right now about 15 percent of restaurant transactions involve discounting or couponing. If you put items on your menu that are specially priced, such as smaller portions, for example, you would find that the number of sales for these items would go up, again emphasizing the consumer's sensitivity to prices.

> *"Of the three restaurant success ingredients—decor, product and service—service has been the underdeveloped component."*

The fourth reality is that it's going to be very difficult to enter niches that are dominated by chains. Their advertising dollars, management system sophistication and purchasing power are hard to beat unless you have some truly unique slant. It can be done, but it's not as easy as "hitting them where they ain't."

The final reality is that occupation costs are going to be higher as long as we approach restaurants as we have in the past. There are few bargain sites left, and creating a distinctive, functional environment is increasingly expensive.

The consumer of the future

Having told you what I think are five economic realities of the future, I'd now like to add some brief points about the consumer of the future.

☐ There is no doubt about it—America is graying. Think about concepts and modifications that can appeal to the burgeoning segment of mature adults and seniors.

☐ Service will be the key to winning the customer of tomorrow. Of the three restaurant success ingredients—decor, product and service—service has been the underdeveloped component.

☐ Consumers are more adventurous than they ever have been before. They're looking for what's new and unusual. They're not afraid to try new items.

☐ Consumers like intensity—whether in decor, in flavors, or in the overall experience.

☐ They like uniqueness. They want to try something that isn't available anywhere else. They want to be the first or the only.

☐ And finally, they want to be comfortable.

Preparing for changes

So how can you prepare for these changes in the economy and customer expectations? First of all, you must treat the customer like a king or queen. Many operations are now projecting a club-like image. They have files on their frequent customers' likes and dislikes. They have special reservation numbers that customers can call in order to get favored treatment. There is recognition in the industry that service can be managed. This is called, appropriately, service management. The concept is well developed in a book by Karl Albrecht and Ron Zemke called *Service America.* (See sidebar for excerpt.)

In the occupation cost area, which I mentioned as a problem, I see a number of kinds of responses. If I had one wish for the industry, it would be a three-year moratorium on building new restaurants.

What we have now, if you look at restaurants as production facilities, is a tremendously inefficient system. We're not getting enough sales per restaurant. If we would stop building and do a lot of recycling of existing properties, then things would improve. And I sense that this is happening to a degree.

I have already seen some instances of site-sharing. Some have worked, and some have not. But I think site-sharing is something that the industry will continue to explore. Site-sharing refers to the sharing of common facilities. In its simplest manifestation, two restaurants merely share parking facilities. But in some cases, particularly in Los Angeles, an upscale restaurant is connected to a lower-priced bistro, which specializes in takeout orders. The two restaurants share the same kitchen. Similarly, some breakfast restaurants are teaming with snack-oriented operations. I think we'll see more of this as restaurants seek to get more utilization of the same physical plant.

In California and a few other places we have a new concept in home delivery from upscale restaurants. The home delivery service contracts with the operator to get a discount—maybe 20 percent—off the menu price of the restaurant. The delivery service then makes a delivery to a customer's home with a skilled waiter, and the delivery service charges a markup on top of the usual menu price. Operators who have tried this service and like it believe that it's another way to fully utilize their kitchen staff and production facility.

"You can only get it here"

An idea that I think is very important is what I call "you can only get it here." Many operators are gravitating toward products they can uniquely call their own, such as local produce, signature desserts and specialty dishes with strong flavors and intensity. They are tailoring their portions and atmosphere to their particular markets. For example, look at brew pubs. The brew pub is a concept that started in the Northwest and has been moving down the West Coast. Beer is brewed on the premises, and the brewing equipment is a very visible part of the decor. I like brew pubs because they are a fine manifestation of "you can only get it here."

There are a number of other concepts that I find particularly appealing. For instance, I like diners. People ask, "Aren't they just a fad?" I don't think so. I think they offer the price value that a customer wants, as well as a colorful dining experience.

I also like tapas if they are well implemented. Tapas are Spanish-inspired plates, often shared by many people who order several different items. Tapas are served much the same way the Chinese serve dim sum. They appeal to people who like a casual, grazing concept, and, if implemented well, they hit home with the idea that food is fun.

Caribbean food, with its intense flavors, has some interesting possibilities. The popularity of Caribbean cruises has exposed many people from all over the United States to the cuisine. People return from these cruises to their various market areas and bring others to the table.

There is still opportunity

Overall, I guess what I'd like to tell you is that the climate is not going to be easy, but I think it's going to get better. Barring a recession, we should have modest sales growth, but a slower increase in supply. I do think the foodservice industry is still a good opportunity. If you pick your niche correctly, design an appropriate concept and implement quality decor, service and product, you will succeed. Millionaires are still made all the time, and I hope that you're there—or well on your way.

Seeing service as a product

In addition to learning to understand the customer better, we need to understand the concept of service itself better. Though a service is obviously different from a physical product, it is still a product. A service product—any incidence of doing for others for a fee—can be distinguished from a commodity by one or more, and usually several, of the following service characteristics:

1. A service is produced at the instant of delivery; it can't be created in advance or held in readiness.
2. A service cannot be centrally produced, inspected, stockpiled or warehoused. It is usually delivered wherever the customer is, by people who are beyond the immediate influence of management.
3. The "product" cannot be demonstrated, nor can a sample be sent for customer approval in advance of the service; the provider can show various examples, but the customer's own haircut, for example, does not yet exist and cannot be shown.
4. The person receiving the service has nothing tangible; the value of the service depends on his or her personal experience.
5. The experience cannot be sold or passed on to a third party.
6. If improperly performed, a service cannot be "recalled." If it cannot be repeated, then reparations or apologies are the only means of recourse for customer satisfaction.
7. Quality assurance must happen before production, rather than after production, as would be the case in a manufacturing situation.
8. Delivery of the service usually requires human interaction to some degree.
9. The receiver's expectations of the service are integral to his or her satisfaction with the outcome. Quality of service is largely a subjective matter.
10. The more people the customer must encounter during the delivery of the service, the less likely it is that he or she will be satisfied with the service.

Note please that we are not suggesting that every service can or should possess every one of these ten characteristics—or even that these are the only characteristics a service can have. Just the same, these characteristics paint a picture of a very special kind of transaction between buyer and seller: the transaction we call service. The more we understand this transaction, the higher the grades we can earn on the customer's report card.

Reprinted with permission from Service America! (Doing Business in the New Economy) *by Karl Albrecht and Ron Zemke (Dow Jones-Irwin, Homewood, Illinois, 1985).*

How to design a beer list

How can a restaurant supplement its usual list of popular imports, fad beers, super premiums, local beers and light beers? By designing a beer list that takes into account the discriminating beer drinkers' tastes. Here are some suggestions on how to proceed in designing a beer list for the increasingly sophisticated American beer drinking market.

by Philip Kralovec

A good beer list creates a whole new dimension to a restaurant, opens up untapped markets and demonstrates a commitment to quality. Any restaurant can design a fine list of superb beers that will appeal to virtually any type of customer. Although restaurants offer as many as 500 different beers, most beer lists range between 15 and 100 different selections. The size of the list is largely a matter of personal preference, although larger lists have a few basic requirements. For example, larger lists require more storage area to hold the beer and larger "ready" areas to refrigerate the beer prior to sale. Larger lists also require an existing market of sophisticated beer drinkers who understand and appreciate the differences of a large selection of beer. Lastly, liquor sales must be high enough to support the higher costs associated with a larger list.

Size is not essential to a good list, however. The trend today is actually towards smaller, carefully selected and more manageable lists. A good small list will also serve as a sound foundation to build upon as the list expands and grows at a later time.

Philip Kralovec is senior director of the association's Chicago office and a beer aficionado since 1970.

Selection

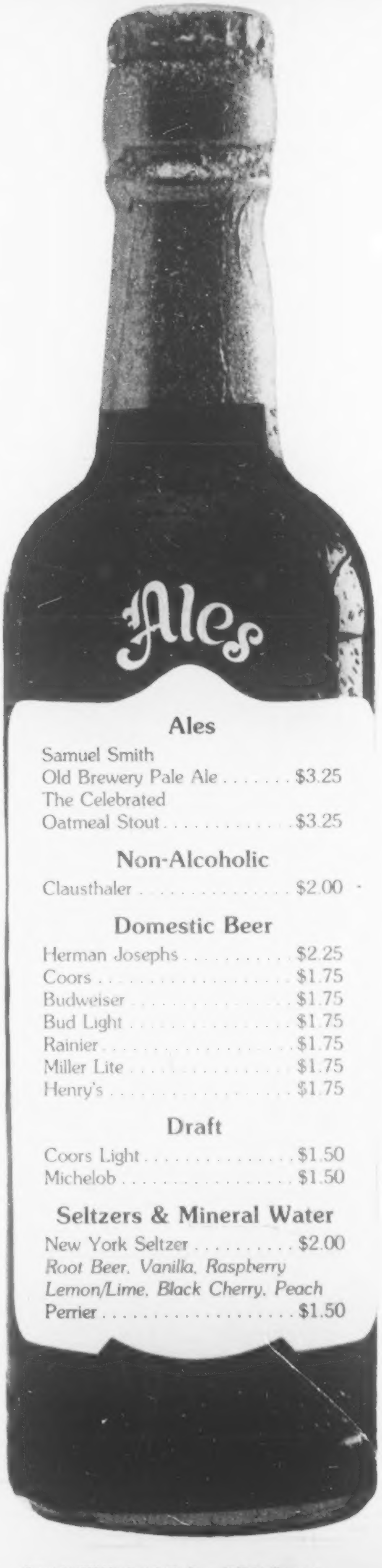
The key to a good list is variety. Until recent years, American beer was dominated by one style of beer—light-bodied pilseners. This is unfortunate in light of the vast array of beer styles brewed around the world. Today, the selection of excellent beer is so wide that the choice can become confusing. By understanding the different kinds of beer, it becomes easier to make the right selections for the list.

Beer can be simplified into five general categories. They are:

☐ weiss beer
☐ pilsener-style lager
☐ amber and dark lager
☐ ale
☐ stout/porter

A good list must always offer at least one beer from each of these categories. They represent a wide range of brewing styles, appeal to a broad spectrum of tastes and complement almost any type of food. As the list expands, it should branch out to include subspecialties within these categories.

Although there are a few beers singularly regarded as the finest in the world, such as Pilsener Urquell and Guiness Extra Stout, generally speaking, there is not an ideal beer list. This may make the choice more difficult, but it also permits every operator to design a list specially tailored to his or her restaurant.



Ales

Samuel Smith Old Brewery Pale Ale	$3.25
The Celebrated Oatmeal Stout	$3.25

Non-Alcoholic

Clausthaler	$2.00

Domestic Beer

Herman Josephs	$2.25
Coors	$1.75
Budweiser	$1.75
Bud Light	$1.75
Rainier	$1.75
Miller Lite	$1.75
Henry's	$1.75

Draft

Coors Light	$1.50
Michelob	$1.50

Seltzers & Mineral Water

New York Seltzer *Root Beer, Vanilla, Raspberry* *Lemon/Lime, Black Cherry, Peach*	$2.00
Perrier	$1.50

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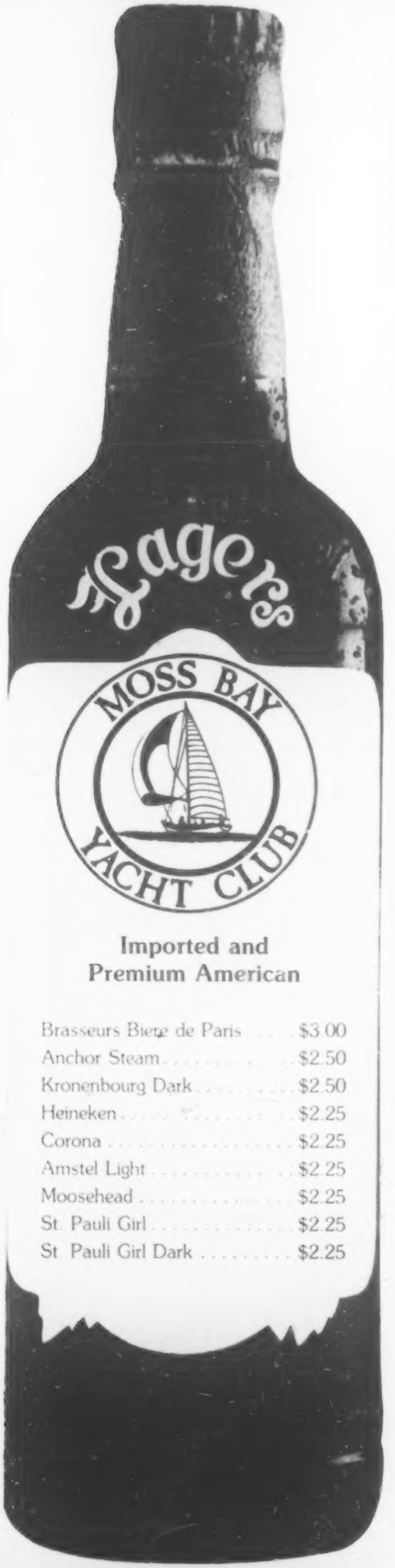
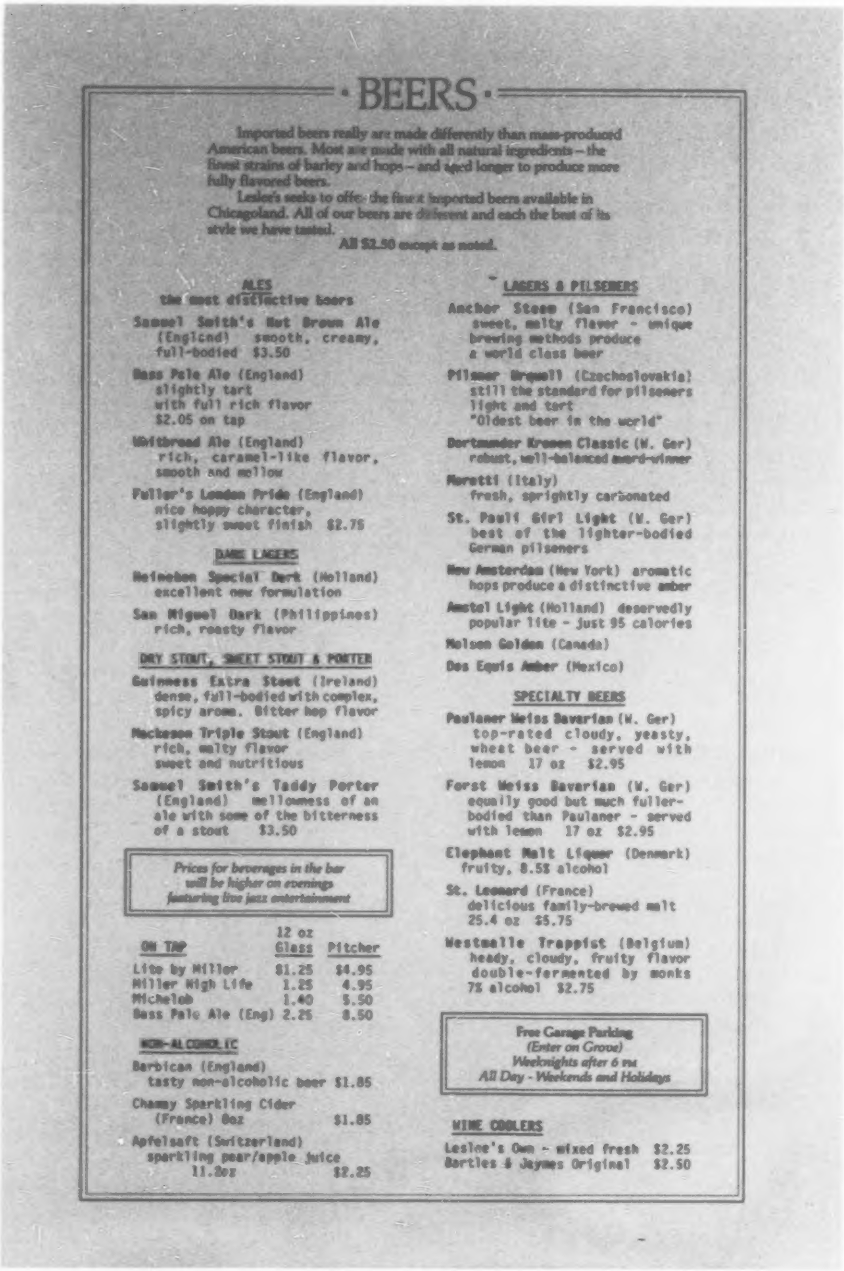

Lagers
MOSS BAY YACHT CLUB

Imported and
Premium American

Brasseurs Biere de Paris	$3.00
Anchor Steam	$2.50
Kronenbourg Dark	$2.50
Heineken	$2.25
Corona	$2.25
Amstel Light	$2.25
Moosehead	$2.25
St. Pauli Girl	$2.25
St. Pauli Girl Dark	$2.25



· BEERS ·

Imported beers really are made differently than mass-produced American beers. Most are made with all natural ingredients – the finest strains of barley and hops – and aged longer to produce more fully flavored beers.

Leslee's seeks to offer the finest imported beers available in Chicagoland. All of our beers are different and each the best of its style we have tasted.

All $2.50 except as noted.

ALES
the most distinctive beers

Samuel Smith's Nut Brown Ale (England) smooth, creamy, full-bodied $3.50

Bass Pale Ale (England) slightly tart with full rich flavor $2.05 on tap

Whitbread Ale (England) rich, caramel-like flavor, smooth and mellow

Fuller's London Pride (England) nice hoppy character, slightly sweet finish $2.75

DARK LAGERS

Heineken Special Dark (Holland) excellent new formulation

San Miguel Dark (Philippines) rich, roasty flavor

DRY STOUT, SWEET STOUT & PORTER

Guinness Extra Stout (Ireland) dense, full-bodied with complex, spicy aroma. Bitter hop flavor

Mackeson Triple Stout (England) rich, malty flavor sweet and nutritious

Samuel Smith's Taddy Porter (England) mellowness of an ale with some of the bitterness of a stout $3.50

Prices for beverages in the bar will be higher on evenings featuring live jazz entertainment

ON TAP	12 oz Glass	Pitcher
Lite by Miller	$1.25	$4.95
Miller High Life	1.25	4.95
Michelob	1.40	5.50
Bass Pale Ale (Eng)	2.25	8.50

NON-ALCOHOLIC

Barbican (England) tasty non-alcoholic beer $1.85

Chammy Sparkling Cider (France) 8oz $1.85

Apfelsaft (Switzerland) sparkling pear/apple juice 11.2oz $2.25

LAGERS & PILSENERS

Anchor Steam (San Francisco) sweet, malty flavor – unique brewing methods produce a world class beer

Pilsner Urquell (Czechoslovakia) still the standard for pilseners light and tart "Oldest beer in the world"

Dortmunder Kronen Classic (W. Ger) robust, well-balanced award-winner

Moretti (Italy) fresh, sprightly carbonated

St. Pauli Girl Light (W. Ger) best of the lighter-bodied German pilseners

New Amsterdam (New York) aromatic hops produce a distinctive amber

Amstel Light (Holland) deservedly popular lite – just 95 calories

Molson Golden (Canada)

Dos Equis Amber (Mexico)

SPECIALTY BEERS

Paulaner Weiss Bavarian (W. Ger) top-rated cloudy, yeasty, wheat beer – served with lemon 17 oz $2.95

Forst Weiss Bavarian (W. Ger) equally good but much fuller-bodied than Paulaner – served with lemon 17 oz $2.95

Elephant Malt Liquor (Denmark) fruity, 8.5% alcohol

St. Leonard (France) delicious family-brewed malt 25.4 oz $5.75

Westmalle Trappist (Belgium) heady, cloudy, fruity flavor double-fermented by monks 7% alcohol $2.75

Free Garage Parking
(Enter on Grove)
Weeknights after 6 PM
All Day - Weekends and Holidays

WINE COOLERS

Leslee's Own – mixed fresh	$2.25
Bartles & Jaymes Original	$2.50

Beer lists can be as varied and as colorful as beer itself. They range from the fanciful, such as the list of the Moss Bay Yacht Club which was diecut into the shape of two bottles, to the tastefully simple list of Leslee's and nearly everything in between.

A good way to start evaluating fine beers for a beer list is to study recommendations from reliable sources. Published beer guides are one excellent starting place. (See accompanying sidebar for a list of some lesser-known beers that the author recommends.)

Once you have researched the topic, select several beers in each of the five categories for a taste comparison. A mere three ounces is all it takes to capably evaluate and compare beer. A six-pack of each from a local package store should provide more than a sufficient quantity. Involve staff in the tastings as well; the tastings are fun, they're morale-boosting and they generate interest and excitement in the beer list. Many restaurants sample each beer with various selections from their menu. These "double-tastings" help identify which beers complement which dishes, and

Some lesser-known beers to consider

Here is a partial list of excellent lesser-known beers to consider, based on the author's extensive research and tasting. The author carefully selected these as a representative sampling in each of the five main categories. Regrettably, not all beers worthy of consideration are included nor are all beers available in all areas of the country. Use this guide as a starting point in your own beer discovery.

Weiss beer. This class of beer is made from wheat. Generally speaking, these beers are pale colored or white (hence, their name in German). This is a perfect summer drink that has a delicate, tart and spicy flavor. It is also made in a dunkel or dark style which has a malty quality. Included in this grouping is another style of beer also made from wheat—kriek beer—which is brewed with cherries. All of these beers are best served gently chilled (45°-50°).

*Domestics**
Anchor Wheat Beer
August Schell Weiss
Edelweiss

Hibernia Dunkelweizen

*Imports**
Ayinger Export Weiss (Germany)
Berliner Schultheiss Weisse (Germany)

Hofbrauhaus Dunkelweizen (Germany)

Hoegarden White (Belgium)

Lindemans Kriek (Belgium)

Pilsener style lager. This is the original bottom fermented and lagered style of beer. Most American beers are made in this style. They are pale yellow or golden colored with a pleasant hop bitterness. These beers are best served gently chilled (45°-50°).

*Domestics**
August Schell Pilsener
Saranac 1888 All Malt Lager
Samuel Adams Boston Lager
Henry Weinhards Private Reserve
Pennsylvania Pilsener

*Imports**
Pilsner Urquell (Czechoslavakia)
Bitburger Pils (Germany),
Maes Pils (Belgium)
Pacifico Clara (Mexico)

Amber and dark lagers. This is a diverse grouping of beers which includes the following distinct styles: Vienna, Munchener, Marzen/Oktoberfest, Bock, Doppelbock and Rauchbier (smoked beer). They all are brewed with a bottom fermenting yeast and lagered or stored for varying periods. The use of roasted malt gives these beers a malty flavor and their darker color. An excellent American hybrid, Anchor Steam, has also been added to this section although technically it deserves its own classification. These beers should be served at cellar temperatures (55°-65°) or at room temperature.

*Domestics**
Ambier Vienna Style
Olde Heurich Amber Lager
New Amsterdam Amber
Rhomberg All Malt
Christian Morlein
Portland Lager

Hibernia Octoberfest

Kessler Bock
Chesbay Double Bock

Anchor Steam Beer

*Imports**
Gosser Export (Austria)
Dos Equis Amber (Mexico)

Spaten Ur-Marzen (Germany)

Aass Bokk (Norway)
Augustiner Maximator (Germany)
Ayinger Celebrator (Germany)
Paulaner Salvator (Germany)

Kaiserdom Rauchbier (Germany)

Ale. This is a diverse family of beers which is brewed with top-fermenting yeast. They have a malty and fruity flavor. They are brewed in a variety of colors and strengths from the pale ales to the very potent barley wine styles. Also included in this section are several selections of trappiste ale which rightfully is a style of its own. All these beers should be served at cellar temperature (55°-65°) or at room temperature.

*Domestics**
Anchor Liberty Ale
Boulder Pale Ale
Sierra Nevada Pale Ale
Great Lakes Amber Ale
Geary's Pale Ale
Portland Ale

Sierra Nevada Big Foot Barley Wine
Old Foghorn Barley Wine

*Imports**
Youngs Export Special London Ale (England)
Samuel Smith's Nut Brown Ale (England)
Cooper Ale (Australia)
Thomas Hardy's Ale (England)

MacAndrews Scotch Ale (Scotland)

Chimay Trappiste Ale (Belgium)
Orval Trappiste Ale (Belgium)

Stouts and porters. The use of heavily roasted malt imparts the deep color and full body to this family of top-fermented beers. These beers are best served at room temperature.

*Domestics**
Anchor Porter
Yuengling Porter
Great Northern Porter

Sierra Nevada Stout
Grants Russian Imperial Stout
Boulder Stout

*Imports**
Guiness Extra Stout (Ireland)
Murphys Irish Stout (Ireland)
Mackesons Triple Stout (England)
Samuel Smith's Imperial Stout (England)
Cooper's Extra Stout (Australia)

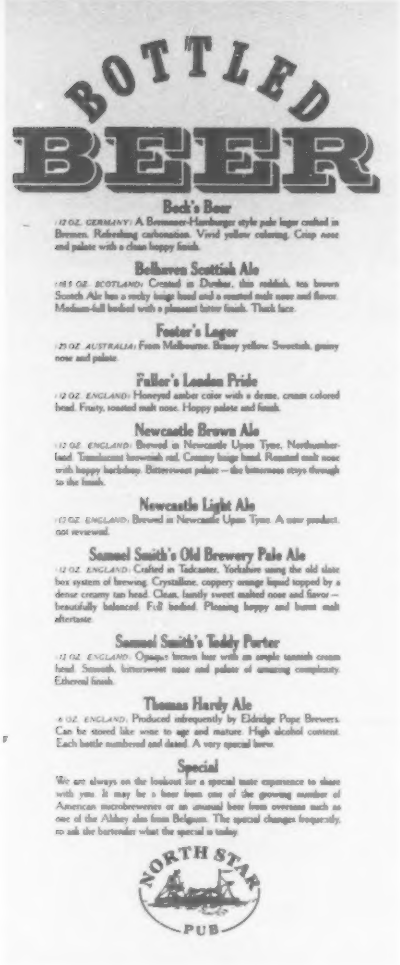
A few words on the proper storage, handling and serving of beer. Beer should be stored away from heat and light, and the stock should be rotated religiously as beer does not age. The proper serving temperatures of each style are suggested, although most Americans prefer beer chilled more than these recommended temperatures. This is fine as long as both options are made available. A freestanding grocery cooler is a relatively inexpensive way of both readying the beer prior to sale while also showcasing the interesting and colorful beers offered.

**Similar-style beers are grouped together.*

this information will help servers sell the products.

In selecting beers to taste-test make certain to include as many of the fine domestic microbrewery offerings as possible. Besides being excellent beers—many as good or better than some imports—support of these products helps the fledgling microbrewery industry and appeals to the "buy-American" spirit in the country. These beers have a reverse snob-appeal and should be considered especially in areas where the customer may be import-resistant. That customer will be more likely to taste different beers if they are locally made. Furthermore, these beers are the perfect complement to the au courant American cuisine.

Finding good distributors who



BOTTLED BEER

Beck's Beer
(12 OZ. GERMANY) A Bremener-Hamburger style pale lager crafted in Bremen. Refreshing carbonation. Vivid yellow coloring. Crisp nose and palate with a clean hoppy finish.

Belhaven Scottish Ale
(10.5 OZ. SCOTLAND) Created in Dunbar, this reddish, tea brown Scotch Ale has a rocky beige head and a roasted malt nose and flavor. Medium-full bodied with a pleasant bitter finish. Thick lace.

Foster's Lager
(25 OZ. AUSTRALIA) From Melbourne. Brassy yellow. Sweetish, grainy nose and palate.

Fuller's London Pride
(12 OZ. ENGLAND) Honeyed amber color with a dense, cream colored head. Fruity, roasted malt nose. Hoppy palate and finish.

Newcastle Brown Ale
(12 OZ. ENGLAND) Brewed in Newcastle Upon Tyne, Northumberland. Translucent brownish red. Creamy beige head. Roasted malt nose with hoppy backdrop. Bittersweet palate — the bitterness stays through to the finish.

Newcastle Light Ale
(12 OZ. ENGLAND) Brewed in Newcastle Upon Tyne. A new product, not reviewed.

Samuel Smith's Old Brewery Pale Ale
(12 OZ. ENGLAND) Crafted in Tadcaster, Yorkshire using the old slate box system of brewing. Crystalline, coppery orange liquid topped by a dense creamy tan head. Clean, faintly sweet malted nose and flavor — beautifully balanced. Full bodied. Pleasing hoppy and burnt malt aftertaste.

Samuel Smith's Toddy Porter
(12 OZ. ENGLAND) Opaque brown beer with an ample tannish cream head. Smooth, bittersweet nose and palate of amazing complexity. Ethereal finish.

Thomas Hardy Ale
(6 OZ. ENGLAND) Produced infrequently by Eldridge Pope Brewers. Can be stored like wine to age and mature. High alcohol content. Each bottle numbered and dated. A very special brew.

Special
We are always on the lookout for a special taste experience to share with you. It may be a beer from one of the growing number of American microbreweries or an unusual beer from overseas such as one of the Abbey ales from Belgium. The special changes frequently, so ask the bartender what the special is today.

NORTH STAR PUB

carry these beers is likely to be the biggest problem encountered. Regrettably, not all beers are marketed or carried by distributors in all areas. Fortunately, the selection of good beer, both imported and domestic, is so great these days that every area of the country should have a source of several beers to choose from in each of these categories.

What are the qualities to look for in a good beer? Each beer has its own characteristics. These will become apparent after one becomes familiar with the tastes of each different style. All beer consists of malted barley, hops, yeast and water. The barley gives beer its malty sweet quality. A flowery aroma and a pleasant bitterness is derived from the hops. And yeasts impart a fruity taste and smell. By and large, a bad beer has a sour or skunky taste. This is caused by oxidation brought about by light, heat and age. Other characteristics to look for in beer are the fullness of its body, alcohol content and the size of head it takes upon pouring. These characteristics are not necessarily indicative of good or bad beer, however; the taste is really the only way to tell.

Merchandising

A beer list is basically a menu designed to increase beer sales. As with any menu item, it must be supported by good merchandising. If it isn't, the very best beer list will become little more than a large stock of stale beer. Many restaurants do very exciting things with fancy, specially designed and laminated menus. Beer distributors too can be of help by providing various sales support items, such as posters, coasters, glassware and the like.

Quite honestly, there is no better way of conveying the beer list to the customer than the simple, inexpensive table tent or menu card which is merely typed and copied and properly presented by the staff. The menu card should list the beers in the order of their body. The lightest weiss beers should be mentioned first, followed by the pilseners on down to the heaviest stouts. The more information provided about each beer, the better. This would include country of origin, style of beer, brief description of appearance, taste and body and perhaps a suggested food complement. Lists of this kind are not expensive and should be distributed liberally on every table, clipped in the menu and wine list and made available in the bar area. The type of list used isn't as important as the fact that there is a printed list available. Too many restaurants rely on the server staff to recite their beers. This is as pointless and confusing as it would be if the server staff were required to memorize and recite an extensive wine list. Lists also make it easier to order for people who might have trouble with the pronunciation of some of the imports.

Another advantage to the menu card or table tent format is that it can be inexpensively and easily revised to adapt to seasonal changes and to take advantage of seasonal specialties and the countless events, holidays and other promotional opportunities that beer presents. Even though all beers can be enjoyed in all seasons, for every season there is a beer that is especially appropriate. Lists should be weighted towards the lighter, thirst-quenching beers in the summer months and, conversely, the hearty, warming ales and stouts during the colder months. Here's some ideas on how beer can be merchandised all year long.

Spring. Traditionally, spring is bock beer time—the first beer brewed of the year. In Germany, Maibocks are enjoyed in a traditional spring celebration at the beginning of May. America, too, has long brewed bock beers. Other spring promotional opportunities include celebrating Irish beers on St. Patrick's Day and Mexican beers on Cinco de Mayo. Similar celebrations can be fashioned around other countries' beers as well: England, Canada, Australia, Japan and the newly arrived, distinctive beers of Belgium.

Summer. There is nothing quite as refreshing in the hot summer months as a crisp weiss beer. These beers are commonly dressed with a lemon slice or splashed with various flavorings, such as raspberry syrup. Besides being tasty, these beers make for an exciting presentation and are a pleasant alternative to wine coolers. Moreover, the 4th of July is the perfect time to celebrate the new American microbrewed beers.

Fall. Octoberfest used to be a festival in which Germans exhausted the last of the year's beer supply laid down in the spring (Marzen or March beer). Today this festival has endured as the ultimate beer festival. It is the perfect opportunity to promote beer with German dishes or American harvest fare.

Winter. Christmas ales are special holiday beers available only at this time of the year. In Switzerland there's even a Santa Claus beer (Samichlaus). America has its own tradition of holiday beer. Most notably, since 1975 Anchor has brewed a different Chrismas Ale each year. The 1987 version was a delicious spiced wassail. Also Sierra Nevada offers its Celebration Ale and Coors introduced Winterfest in 1987. Other hearty beers, such as potent barley wines, doppel bocks (meaning double strong) and trappiste ales, are great winter warmers as well.

In sum

Designing a good list need not be a difficult or involved process. It is an undertaking that can be introduced with little cost or trouble. ❑

FISHER'S LAW

#89

Waist management

One aspect of managerial life that has not received the emphasis it deserves is "waist management," which becomes particularly important as managers get older. Here are several rules for waist management that I heartily (or at least organically) recommend to you.

1. Eat things that have a fruit content. Examples are pineapple-upside-down cake, bananas Foster, cherries jubilee, apple fritters and peaches flambe.
2. Also eat things that have a vegetable content. Examples are carrot cake, zucchini bread, potato pancakes and rhubarb pie.
3. Recognize that foods that are the same color contain the same number of calories, such as spinach and green creme de menthe, cauliflower and white cake with white frosting, and Harvard beets and cinnamon candy.
4. Associate with heavy-set people; they will make you look thinner.
5. Drink all the beer you want, but pour it out of the can or bottle so the calories can escape during the container transfer.
6. Visit a glazier and purchase some fun house mirrors that make you look as thin as a ribbon.
7. Drink all the beer you want, but consume it in its foam form. Foam is mostly air, anyway, and that can't hurt you.
8. Eat frozen food in its frozen form, such as peas, corn and hamburger. If you allow the food to thaw, it will expand, and you don't want to eat expanding food.
9. Drink all the wine you want, but do it while eating cheese and crackers so the calories in the wine can be absorbed by the cheese and crackers.
10. If you have a sweet tooth, go ahead and add sugar, but also add a sugar substitute. The substitute will neutralize the calories in the sugar.
11. When eating hot food, let it get cold. The vapors from the food dissipate the calories into the air.
12. Eat heavily before you go to bed at night. That way you won't be hungry when you wake up.
13. Combine foods that normally don't go together; that way you won't eat that much of them. Examples are chocolate covered shrimp, oysters spread with strawberry jam and steak with marshmallow topping.
14. Eat food that you just can't stand. If you don't like it, it must be good for you.
15. Don't exercise. That makes you hungry, and you'll eat more, which you don't want to do.
16. Foods that have the name of a city or state associated with them are OK to eat because there are a lot of thin people in those areas. Examples are Boston cream pie, baked Alaska and Virginia ham.
17. Eat heavily when you get up in the morning. This will carry you through the day, and you won't eat much later.
18. Drink all the distilled spirits you want, but sip, don't gulp. By sipping, you'll be ingesting air, and air doesn't have any calories.
19. Eat all the bagels and English muffins you want, but break them up into little pieces so the calories can escape in the process.
20. When attending a party or reception, eat all the snacks and hors d'oeuvres you can so you won't be hungry for dinner.
21. If you are eating for medicinal purposes ("Feed a cold . . . "), you can eat as much of anything you want because the illness will cancel out the calorie intake.
22. Food eaten at a sporting event, such as buttered popcorn and ice cream, doesn't count because your metabolism runs faster. That is particularly true if your team is losing.
23. Eat foods that are blackened. It's fashionable, and the spices burn out the calories. Examples are blackened steak tartare, blackened scrambled eggs, blackened chef's salad, etc.
24. Prepare food well done. It shrinks that way, which means you'll be eating less. Burnt food is best because there is no excess.
25. It's OK to eat anything that's whipped or beaten because it's mostly air. Examples are whipped cream, souffles and mousses.
26. Eat a large meal at midday. This will balance the calories ingested in the morning with those eaten in the afternoon.
27. It's OK to eat things that come in small sizes because they can't possibly contain many calories. Examples are macadamia nuts, Tootsie Rolls, etc.
28. Don't try to diet. You'll get hungry, and then you'll overdo it when you do eat.
29. Eat all the Asian food you want, but use only one chopstick.
30. When preparing boiled foods, boil them three or four times before eating so the calories will seep out into the water.
31. Eat foods with fiber. I recommend pickled watermelon rind, shredded orange peel and slivered lemon peel (sometimes called a "twist").
32. It's all right to eat big desserts after a big meal as long as you use a sugar substitute in your coffee or tea to balance out the calories in the dessert.
33. You can cut down on some foods without even noticing their absence. For example, you can have a hot dog roll, mustard, ketchup and relish, and you'll hardly miss the hot dog.
34. Balance your diet among the four basic food groups, and combine food groups in one item whenever possible. For example, "eggplant" combines the dairy group (eggs) with the fruit and vegetable group (plant).
35. Buy all the diet books you can. That will lighten your wallet (or purse), which will make you lighter when you get on the scales.

Fisher's Law #89. *When you think you have lost 10 pounds, look behind you. You'll probably find them.*

Franchise sector remains strong but faces changes

In 1986 the restaurant franchise industry experienced strong, stable growth, both in sales and units, but trends show that competition is increasing. This competitive environment will dictate the pace of change affecting the industry over the next several years.

The franchise industry continues to show strong, steady growth, according to the U.S. Department of Commerce's survey, *Franchising in the Economy 1986-1988.** Competition is intensifying, however. Several trends signal a period of adjustment and change as franchise restaurants adapt to meet growing competition. Heightened competition has ushered in such developments as: leveling growth, merger and acquisition activity, increased advertising and promotions spending, unit expansion into new geographic regions, market segmentation and specialization, and product and service innovation and diversification.

Sales up, outpace unit growth

Franchise restaurant sales approached $52.3 billion in 1986, a 9.6 percent increase over 1985's level. Sales at company-owned units expanded 9.0 percent in 1986, slightly less than the 10 percent expansion rate recorded at franchisee-owned restaurants. Total sales growth in 1986 outpaced overall unit expansion. In 1986, the total number of restaurant franchise units increased by 5.8 percent. A tightening restaurant franchise market par-

Highlights

☐ The franchise restaurant industry continued to expand in 1986. Sales reached $52.3 billion, and the number of franchise units grew to 78,203. Total number of operating franchise firms shot up from 470 to 488. Projections through 1988 show continued expansion, with total sales and number of units predicted to reach $63.2 billion and 90,789, respectively.

☐ The segment of the franchise market comprised of firms operating 10 franchise units or less added the most new firms and had the highest unit growth rate.

☐ Pizza and Mexican franchise restaurants performed well in 1986; each recorded a 20.4 percent sales increase from 1985. Sandwich franchises experienced the strongest unit growth in 1986—up 15.3 percent. Through 1988, sandwich franchises are expected to outperform the rest of the market in sales and unit growth.

☐ Franchise employment leveled off at 2.46 million in 1986, a 0.5 percent rise from 1985's level. The number of employees at franchisee-owned units rose 2.3 percent while declining 2.8 percent at company-owned outlets.

☐ Franchise restaurant firms continue to focus on new markets. Within the United States, the largest unit increase in 1986 was in Rhode Island (40.1 percent), followed by Alaska (22.1 percent), New Hampshire (20.3 percent), Delaware (19.7 percent), New Mexico (17.6 percent) and Maryland (15.9 percent).

☐ The number of restaurant franchise firms operating in the international market climbed from 61 to 65 in 1986. Overall international units increased 10.6 percent to 6,769. Canada and Japan remained the most likely countries for restaurant franchise investments. Among other nations and regions, Continental Europe, Australia and New Zealand led the way in rate of unit expansion.

Projected franchise restaurant sales and unit growth for 1987 and 1988

Sandwich sales are expected to show the biggest gain this year

	Percent change*			
	Number of units		Sales	
Restaurant type	**1987**	**1988**	**1987**	**1988**
Hamburger	4.8%	6.3%	8.3%	10.1%
Pizza	9.3	12.2	8.9	12.6
Chicken	4.7	5.3	10.2	12.9
Mexican	6.2	8.2	6.6	8.6
Seafood	6.6	8.7	8.5	14.2
Steak/full menu	4.3	8.6	8.5	11.1
Pancakes	5.0	7.7	8.7	11.0
Sandwich/other	23.5	28.8	23.0	31.0
Total	**6.6%**	**9.0%**	**8.7%**	**11.2%**

** Percent change is over prior year and is based on figures estimated by survey respondents.*
Source: *Franchising in the Economy, 1986-88*, U.S. Department of Commerce, 1988

**Sales and unit figures for 1986 and projections for 1987 and 1988 reported here are representative only of these 488 franchise restaurant firms and do not include any newly established firms that may have begun franchising in 1986 or any firms that have since gone out of business or abandoned the franchise system.*

The survey, the only one of its kind in the United States, was completed by 2,177 franchisors which represent 99 percent of total franchise sales and establishments. The results were compiled by Andrew Kostecka, Finance and Management Industries Division, Office of Service Industries.

Franchise restaurant sales and units

More than 90,000 franchise restaurants with sales topping $63 billion are expected to be in operation by the end of 1988

	Total sales (billions)			Number of units		
	Company-owned	Franchisee-owned	Total	Company-owned	Franchisee-owned	Total
1976	$ 4.6	$10.0	$14.6	12,562	34,336	46,898
1981	10.8	19.3	30.0	19,355	42,491	61,846
1986	18.8	33.5	52.3	24,364	53,839	78,203
1987*	20.0	36.8	56.8	25,398	57,933	83,331
1988*	21.9	41.3	63.2	27,027	63,762	90,789

* Figures are estimated by survey respondents

Source: *Franchising in the Economy, 1986-88*, U.S. Department of Commerce, 1988

tially explains the discrepancy between revenue and unit growth. Rather than exploit potential market opportunities through unit expansion, restaurant franchisors and franchisees are focusing their efforts on bolstering sales at existing outlets. Such a focus requires heavy advertising and promotional spending, a trend that has become especially prevalent in the last several years. Increased advertising and promotion spending should continue to characterize the franchise industry.

Mid-size firms feel squeeze

The total number of restaurant franchise firms rose from 470 to 488 in 1986. Twenty-four firms entered the smallest end of the market (firms with 10 units or less). This increase could be attributed to small business operators foreseeing opportunities in penetrating a narrowly defined niche in the restaurant franchise market. Small franchise firms can offer specialty food tailored to a specific regional market. Overall, franchise units in the smallest firm grouping climbed to 876, an 18.4 percent rise.

The largest restaurant franchise firm grouping (those with 1,001 units or more) also expanded. One firm was added to the list, bringing the total number of firms operating 1,001 units or more to 14. These companies increased their unit holdings to 44,568 in 1986, a 10.6 percent gain from 1985. Sales were up 13.2 percent in 1986, and large restaurant franchise firms, (1,001 units+) market share grew to 62 percent—an all-time high. Heavy merger and acquisition activity during 1986 partially explains the rise in units held by the big firms. In their fight for market share, large companies viewed consolidation and acquisition as a means to increase their competitive advantage.

The group with the second-largest firms (those having 501-1,000 units) performed similarly in 1986, increasing in number of firms by one and number of units by 655 while keeping market share at 15.3 percent. However, restaurant franchises in the next three groupings (those holding 151-500, 51-150 and 11-50 units) had a more difficult time between 1984 and 1986. Revenues leveled off and their market share and total number of units dipped in response to thinning profit margins from heightened competition. Without the advantage of economies of scale of the large firms and the flexibility of small firms to quickly fill market niches through specialization, mid-size restaurant franchises are feeling the traditional squeeze and shakeout that confronts mid-size companies in a maturing market.

Pizza and Mexican franchises were on top

Pizza and Mexican restaurant franchises recorded the largest increase in sales and number of units. In 1986 pizza and Mexican franchise sales leaped 20.4 percent. Sandwich and seafood franchise restaurants also performed well in 1986, registering sales increases of 14.2 percent and 12.4 percent, respectively. Growth was slower for chicken, steak, hamburger and pancake franchises.

Predictions for the restaurant franchise industry for 1987 and 1988 include the following: Sales for Mexican and pizza restaurant franchises should grow, although at a reduced rate; sales for seafood and chicken should continue to grow as consumers seek alternatives to red meat consumption. The hamburger market, the most saturated market, should exhibit stable, single-digit growth. Similar expansion is expected for steak and pancake restaurant franchises.

Rapid growth is projected for the sandwich sector as the few companies in this segment become more heavily engaged in franchising through the sale of company-owned units to franchisees. In 1986 the number of company-owned units in the sandwich sector fell 41.2 percent. Franchisee-owned units rose 27.8 percent.

Donut and ice cream/yogurt franchises up

In reviewing the restaurant franchise market, a thorough analysis must include donut shops and ice cream/yogurt stores. Both groups have had vigorous surges in sales and number of units over the last three years. For donut shops, however, 1986 was a year of slacken-

Franchise restaurant employment

More than 2.4 million individuals were employed at franchise restaurants in 1986

Year	Total	Company-owned	Franchisee-owned
1976	1,064,618	338,778	728,840
1981	1,664,170	580,650	1,083,520
1984	2,182,143	864,118	1,318,025
1985	2,441,947	872,239	1,569,708
1986	2,453,621	847,760	1,605,861

Source: *Franchising in the Economy, 1986-88*, U.S. Department of Commerce, 1988 ing development. Sales rose 11.9 percent, compared to a 41.5 percent hike the year before. The number of units actually declined 0.7 percent to 3,510 after an impressive jump in 1985. Sales are expected to remain strong in the 8 to 14 percent range during 1987 and 1988. In fueling America's craving for frozen yogurt and ice cream, stores selling these products excelled in 1986, posting sales and unit increases of 17.6 percent and 9.0 percent, respectively. Double-digit growth is envisioned for this market through 1988.

Changes in franchise ownership

In 1986, more franchise units changed hands than ever before

The number of units:	**1976**	**1981**	**1985**	**1986**
Repurchased for company ownership	280	489	322	429
Converted to franchisee ownership	413	426	622	866
Establishments discontinued:				
Company-owned	221	401	537	601
Franchisee-owned	981	1,454	1,622	1,435
Total	**1,895**	**2,770**	**3,103**	**3,331**

Source: *Franchising in the Economy, 1986-88*, U.S. Department of Commerce, 1988

Competition forces changes in franchise ownership

The 1986 statistics on restaurant franchise ownership, finances and employment highlight the effects of increasing competition within the industry. In 1986, 1,464 restaurant franchise agreements were eligible for renewal, and 1,303 were renewed—an 89 percent renewal rate. Terminations were up 24.4 percent, the largest annual rise in the last seven years. Of these terminations, 765 agreements were ended by the franchisor in 1986, compared to 625 by the franchisee. Almost half of the agreements terminated by the franchisor came to a halt because of the franchisee's inability to make the required royalty payments to the franchisor. The 375 failures represent a 63.7 percent increase over 1985's number. It is the highest number of restaurant franchisee defaults since the recession year of 1981. Thirty-five agreements were stopped due to the franchisee's violation of quality controls, a drop from 70 in 1985.

A climb in the number of ownership changes occurred in 1986. Franchisors repurchased 429 units for company ownership and converted 866 units to franchisee ownerships. (Of the establishments discontinued, 601 were company-owned and 1,435 were franchisee-owned.) Even while accounting for the fact that the restaurant franchise industry is bigger today than ever before, these figures reflect a record amount of franchises changing hands. In total, 3,331 units changed ownership—up 7.3 percent from 1985 and up 66.8 percent from 1984. The trend over the last four years has been away from company ownership toward franchisee ownership. Several factors help explain this tendency.

Facing a tightening market and stepped-up competition, companies are trying to spread risk through the increased sale of existing units, thus allowing franchisees to bear a greater burden of the risk. Companies are also giving franchisees greater latitude in altering the franchising system to fit the demands of the local market. Companies and franchisees have established more franchise advisory councils to mediate disputes between them. Such councils also act as a forum in which franchisees may suggest new ideas that will improve the efficiency of the franchising system.

Franchisees are also utilizing the local media more for promotion and advertising rather than relying solely on national advertising paid for by the franchisor.

The Department of Commerce's report includes a survey of the total cash and investment required to start up a franchise. In 1986, 321 of the 488 restaurant franchise firms responded to the survey. In 1986, the median figure for total investment was $250,000. The median amount of startup cash was $75,000. For company-owned units, median total investment was $325,000. These figures have been relatively stable over the last five years, suggesting that despite the growing popularity of restaurant franchising, cash and investment requirements for going into business have not changed much. Among minority restaurant franchisees, blacks have fared particularly well, as the number of black-owned units has more than doubled since 1981.

Slackening restaurant franchise employment

Franchise restaurant employment nudged upwards only 0.5 percent in 1986. This was after double-digit employment growth in 1984 and 1985 and high single-digit growth the previous five years. Company-owned employment in 1986 actually declined 2.8 percent to 847,760. This drop in employment can be accounted for by the consolidation of some of the larger franchises. Several big chains restructured in 1986 and slashed costs by laying off workers.

Franchisee-owned restaurant employment gained 2.3 percent in 1986 while franchisee-owned unit growth topped 7 percent. The small gain in employment relative to the larger gain in number of franchisee-owned units could be attributable to franchisees having to cut costs through employee layoffs in order to keep prices low enough to retain market share against beefed-up competition.

Remote domestic markets explored for expansion

The Middle Atlantic region replaced the West South Central region as the unit growth leader in 1986; its number of restaurant franchise units jumped 9.1 percent. The heavily industrialized and populated East North Central region retained its leadership position of holding the most restaurant franchise units with 19.2 percent. California, Texas, Ohio and Florida continue to house about a third of all restaurant franchise units located in the United States. Rhode Island (40.1 percent), Alaska (22.1 percent), New Hampshire (20.3 percent), Delaware (19.1 percent), New Mexico (17.6 percent) and Maryland (15.9 percent) led the states in unit percentage increases. The above states, especially New Hampshire, Alaska and New Mexico, are among the United States' more geographically remote and less population-intensive states. In the search for new markets and less competition, restaurant franchises have expanded to states previously thought unattractive due to their lower-income base, geographic isolation and dispersed population. A review of 1985 data also supports this assertion; North Dakota, Arkansas and South Carolina were among the leading states in unit growth for that year.

Franchise restaurant distribution by company size

Both large and small firms added units in 1986, but the largest gains were made by the biggest firms

Number of units in company	1976	1981	1985	1986
1,001+	21,303	31,921	40,296	44,568
501-1,000	10,367	8,582	11,331	11,986
151-500	7,064	11,993	10,925	10,264
51-150	4,956	4,366	5,830	5,902
11-50	2,711	4,310	4,770	4,607
1-10	497	674	740	876
Total	**46,898**	**61,846**	**73,892**	**78,203**

Source: *Franchising in the Economy, 1986-88*, U.S. Department of Commerce, 1988

More activity in the international market

Care must be exercised when making predictions or analyzing patterns in the international franchise market because it is a relatively new market that can be affected by the actions of just one chain. Also, currency fluctuations tend to determine level of foreign investment and expansion. In 1986, however, the international market offered opportunities for restaurant franchises. That year, 65 U.S. restaurant franchise firms operated international units—up from 61 in 1985. There were 6,769 units in 1986, a 10.6 percent increase over the previous year. The jump in number of restaurant firms and units operating in the international marketplace can be partially justified by the relative strength of the dollar against foreign currencies for 1985 and much of 1986. With a stronger dollar, franchise startup and expansion costs are less expensive abroad, inducing franchise owners to expand in the overseas market rather than in the domestic market.

Three steak/full menu and three pizza franchise firms set up international operations in 1986. Among restaurant types, pizza and sandwich units underwent spectacular growth. The number of sandwich units quintupled. Pizza franchises added 285 units, a 49.3 percent increase from 1985. Chicken, hamburger and steak/full menu restaurant franchises also performed well, with unit expansion averaging in the high single digits. Pancake, Mexican and seafood units, all together accounting for only a small percentage of the total international franchise market, remained fixed in number during 1986.

By region, Canada continued to sustain the largest expansion of U.S. restaurant franchise units in 1986, up 21.2 percent. This fact is not surprising given Canada's geographic proximity and cultural similarity to the United States. Japan and Continental Europe witnessed a slightly lesser rate of expansion. Restaurant unit growth rose significantly in New Zealand and Australia, as franchise firms began to realize the potential of these two markets. The Latin American, Caribbean, African and Southeast Asian markets have yet to flourish. The markets of the newly industrialized countries of the Far East, however, should offer potential U.S. restaurant franchise development in the near future. Personal disposable income in these countries has rocketed in the last several years, and the U.S. government has been pressuring these countries to open their markets to the U.S. investors.

As competition in the U.S. domestic restaurant franchise market continues to grow, restaurant franchise operators are likely to intensify their focus on the international market.

—Sebastian O'Kelly

Editor's note: Data for this article was obtained from Andrew Kostecka, U.S. Department of Commerce.

For the complete report

The National Restaurant Association has prepared an in-depth report on the franchise restaurant system based on data from the U.S. Department of Commerce survey. This publication entitled *Franchise Restaurants: A Statistical Appendix to Foodservice Trends*, contains detailed information for the period 1969 to 1988.

The cost to National Restaurant Association members is $15.00 (plus $2.00 shipping and handling). The cost to nonmembers is $30.00 (plus $3.00 shipping and handling). Residents of Washington, DC, must add eight percent sales tax. Illinois residents must add seven percent. Chicago residents must add an additional one percent sales tax, bringing their sales tax total to eight percent.

To order, contact the National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC 20036 or call 1 (800) 424-5156 or (202) 331-5900. Payment must accompany all orders. Credit card orders are accepted. *Please specify number CS207 when ordering.*

Annual CREST report shows solid growth in 1987

After two consecutive years of modest growth in industry traffic, customer counts rose a healthy 3.5 percent in 1987. Sales advanced as well, increasing 5.6 percent over their 1986 level. Gains, however, were not even throughout the industry. Off-premises quickservice traffic accounted for more than three-quarters of total traffic growth between 1986 and 1987.

Consumer demand for convenience appears to be the driving force behind industry expansion. Quickservice restaurants, well-positioned to take advantage of this trend, led all segments in sales and traffic growth.

1987 highlights by segment and meal period

Quickservice restaurants led a year of strong sales and traffic growth

	Sales	Traffic	Average check size	Number of households reached
Total restaurants	5.6%	3.5%	2.0%	1.6%
Quickservice	9.4	5.5	3.6	2.2
Midscale	2.2	−0.8	2.9	1.7
Upscale	2.5	0.4	2.2	0.2
• Moderate-check	3.8	1.5	2.2	0.7
• Higher-check	0.5	−3.1	3.7	−1.5
Breakfast	2.5	nc	2.2	2.1
Lunch	5.9	3.8	2.2	1.4
Dinner	6.3	5.5	0.7	2.8

Note: Figures represent percent change over 1986.
nc = no change

Source: NPD CREST, *Household Report*, 1987

Traffic highlights

☐ The quickservice segment led the industry with traffic growth of 5.5 percent in 1987, posting the largest increase in five years. The growth was fueled by pizza restaurants, hamburger and sandwich places, ice cream shops and retail operations.

☐ Traffic declined at midscale restaurants and rose only slightly at upscale eateries. The decline at midscale establishments, however, was less severe than in 1986 when customer counts dropped 3.8 percent.

☐ In 1987 dinner again led all meal periods in traffic growth with a 5.5 percent increase. Customer counts at lunch also rose by 3.8 percent, and breakfast traffic remained unchanged from its 1986 level. All three dayparts improved their performances in 1987.

☐ For the third consecutive year, off-premises traffic was responsible for the majority of total traffic growth. In 1987 off-premises dining jumped 6.9 percent, compared to a 1.0 percent rise for on-premises traffic. Off-premises counts advanced in each restaurant segment with upscale establishments leading the way with a 13.1 percent gain. Quickservice and midscale operations each experienced increases in off-premises dining of 7.0 percent.

☐ On-premises traffic advanced only at quickservice operations. On-premises dining fell by 1.9 percent at midscale restaurants and by 0.4 percent at upscale establishments.

☐ Growth in off-premises traffic occurred in all meal periods: 11.8 percent at dinner, 7.0 percent at lunch and 0.6 percent at breakfast. On-premises traffic fell during the breakfast daypart and rose slightly at dinner. The noon meal experienced modest growth of 2.0 percent.

☐ The number of households in which at least one member dined out at least once during an average two-week period edged up 1.6 percent in 1987. Growth in penetration was highest at quickservice and midscale establishments.

Annual growth in industry traffic

Off-premises traffic continues to fuel total industry growth

	Total	On-premises	Off-premises
1983	2.7%	3.4%	1.7%
1984	4.0	3.3	5.0
1985	1.0	−1.3	4.7
1986	2.1	−1.2	6.9
1987	3.5	1.0	6.9

Note: Percent change is over the prior year.

Source: NPD CREST, *Household Reports*, 1982-1987

Sales highlights

☐ Sales advanced strongly at quickservice restaurants in 1987, jumping more than 9 percent. This was an improvement over the 7.4 percent rise recorded in 1986. Midscale and upscale restaurant sales increased by 2.2 and 2.5 percent, respectively. Sales at midscale restaurants had fallen the previous year.

□ Dinner overtook lunch in sales growth during 1987, registering a 6.3 percent increase, compared with a 5.9 percent rise for the noon meal period. Sales at breakfast advanced 2.5 percent.

Average check size

□ The average per-person check at all restaurants moved up 2.0 percent in 1987 to $3.52. Quickservice operations recorded the largest increase, 3.6 percent, with an average check size of $2.56. The average check size at midscale and upscale establishments was $4.28 and $8.98, respectively.

□ After dropping during 1986, average check size at dinner edged up 0.7 percent in 1987 to $4.63. At the two other meal periods average check size went up as well—to $3.29 at lunch and to $2.33 at breakfast.

Promotions

□ Promotions were used on 17.1 percent of all restaurant visits during 1987. Usage was highest at quickservice restaurants, where promotions were used on 19.2 percent of restaurant occasions. Promotions were used at midscale and upscale establishments on 13.3 and 12.7 percent of all visits, respectively.

□ Dinner was the preferred meal period for promotion use. Promotions were used on 21.9 percent of all eater occasions at dinner. The breakfast and lunch meal periods recorded promotion rates of 13.9 and 16.2 percent, respectively.

Americans are spending more in restaurants

American household spending on restaurant meals continues to grow. According to the latest Bureau of Labor Statistics *Consumer Expenditure Survey*,* households spent on average 36 percent of their food budget on food away from home** in 1985, compared to 32 percent in 1980.

New tabulations track income and age

Special tabulations for the 1985 *Consumer Expenditure Survey* by the Bureau of Labor Statistics allow new insights on household spending on food away from home. Using this new data, the association has developed detailed information on weekly household restaurant spending broken down by age of household head and by average annual household income.

This data, summarized in the accompanying table, demonstrate how differences in household income by age of the household head help to explain variations in spending on restaurant meals and snacks.

In general, those households which allocate the highest portion of their weekly food budget to dining out are ones where 1) the household head is under the age of 25 and 2) the household's annual income is $40,000 or more. Both of these types of households allocate approximately 40 percent or more of their weekly food budget to restaurant meals and snacks.

The *Consumer Expenditure Survey* data also highlights the importance to restaurant operators of those households headed by persons over the age of 55. Often referred to as "empty nesters," these households are an important target market for the foodservice operator. The

Expenditures for food away from home by number of wage earners

A household spends more on restaurant meals if it has more wage earners

Household size	Number of wage earners	Average income before taxes	Average weekly amount spent for food away from home	Percent of weekly food budget
One person	0	$ 8,266	$ 8.25	30%
	1	17,878	20.52	59
Two or more persons	0	15,246	10.56	21
	1	21,741	18.53	29
	2	33,688	26.66	37
	3 or more	41,813	34.74	35

Source: *Consumer Expenditure Survey*, 1985: Bureau of Labor Statistics, 1987

**Since 1980 the Bureau of Labor Statistics (BLS) has used the Consumer Expenditure Survey to track annual consumer expenditures. (Prior to 1980, the survey was conducted every 10 years.) The results reported here are from the diary portion of the 1985 survey, which was kept by more than 5,000 consumer households for two consecutive, one-week periods.*

The diaries collected information about household expenditures for small and/or frequently purchased items, such as food, beverages, tobacco and personal-care products. Expenditures incurred while traveling away from home were not included in the survey results.

***The National Restaurant Association estimates that more than 40 percent of the food dollar is spent away from home. This proportion is higher than the figure reported by BLS because it includes all expenditures on meals and snacks away from home, both personal and business. It also includes amounts for food that may be incorporated in airline tickets, hospital bills, school meals, etc.*

Weekly expenditures for food away from home by size of household

Singles spend more per person than do members of any other household group

Size of household	Amount spent away from home	Weekly per capita expenditures
One person	$15.87	$15.87
Two persons	20.94	10.47
Three persons	24.05	8.01
Four persons	26.16	6.54
Five persons	25.93	5.19
Six (or more) persons	25.17	3.76

Source: *Consumer Expenditure Survey*, 1985: Bureau of Labor Statistics, 1987

basic characteristics of these households are that they are, on average, smaller because most children have left the "nest" and, except for households headed by an individual aged 75 or over, they enjoy above average household income.

In 1985 households headed by individuals between the ages of 55 and 64 averaged 2.3 people with an average annual household income of $25,787 before taxes. Households headed by persons between 65 and 74 years of age averaged a smaller 1.8 individuals.

It is interesting to note how per-person spending increased with the age of the household head. For example, when the household head was between the ages of 55 and 64 and annual household income was between $20,000 and $29,999, spending for meals away from home averaged $7.15 per week, compared to $8.90 per person per week when the household was headed by an individual between 65 and 74 years of age.

With fewer financial obligations, increased amounts of leisure time and smaller household size, these older households view restaurant dining as entertainment and are willing to allocate more of their income to it. The higher their annual household income, the more likely these older consumer units are to increase their expenditures on dining out.

Real growth continues

In 1985 households allocated on average $59.92 per week for food, with $21.32 of this amount going for restaurant dining. By comparison, households allocated $15.27 per week for food away from home in 1980.

Of particular interest to restaurant operators is that consumer spending for restaurant dining grew in real terms between 1980 and 1985. Increases in house-

Weekly spending for food away from home by age of household head and income

Age of household head	Annual household income						
	Under $5,000	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000-$29,999	$30,000-$39,999	$40,000 and over
Under age 25							
• Percent of weekly food budget	53%	40%	39%	45%	52%	*	*
• Per person expenditure	$7.60	$7.02	$9.34	$10.60	$12.00	*	*
25 to 34 years							
• Percent of weekly food budget	26%	26%	33%	38%	39%	40%	42%
• Per-person expenditure	$3.53	$3.82	$5.40	$7.68	$8.28	$9.40	$12.25
35 to 44 years							
• Percent of weekly food budget	27%	24%	30%	31%	36%	35%	42%
• Per-person expenditure	$4.25	$3.16	$4.62	$5.48	$7.33	$8.04	$12.14
45 to 54 years							
• Percent of weekly food budget	*	23%	27%	32%	30%	37%	42%
• Per-person expenditure	*	$3.64	$5.08	$6.62	$7.22	$9.89	$13.48
55 to 64 years							
• Percent of weekly food budget	26%	25%	27%	26%	30%	36%	43%
• Per-person expenditure	$5.28	$4.94	$6.20	$6.48	$7.15	$11.56	$14.97
65 to 74 years							
• Percent of weekly food budget	20%	21%	27%	29%	30%	*	39%
• Per-person expenditure	$4.19	$4.86	$6.57	$7.25	$8.90	*	$14.41
75 and over							
• Percent of weekly food budget	13%	17%	23%	*	*	*	*
• Per-person expenditure	$2.24	$3.57	$5.62	*	*	*	*

* *Insufficient data*

Source: *Consumer Expenditure Survey*, 1985: Bureau of Labor Statistics, 1987.

hold spending for food away from home over this five year period surpassed advances in menu prices as measured by the Consumer Price Index (CPI).

The role of income

The amount which the average American household spent on eating out in 1985 varies substantially by several demographic characteristics, including the income of the household. In general, as household income increases, the dollar amount allocated for food away from home increases.

According to the 1985 *Consumer Expenditure Survey*, households with annual incomes of $40,000 or more spent $42.61 per week on dining out—more than $21.00 above the average U.S. household. Spending for food away from home for this income category accounted for 42 percent of the weekly food budget—the largest amount among all income levels.

Households in the $20,000 to $29,999 annual income bracket spent a lower 35 percent of their weekly food budgets. Those households with annual incomes between $5,000 and $9,999 spent the smallest proportion of their weekly food budgets on restaurant meals—24 percent.

The importance of household size

Household size is an another important factor in determining the amount spent for food away from home. Generally, the smaller the household, the greater the share of the total weekly food budget spent on restaurant dining.

The average per-person expenditure for dining out also decreases as household size increases. An analysis of the *Consumer Expenditure Survey* for 1985 reveals that households of only one person spent an impressive 49 percent of their weekly food budgets for food away from home ($15.87). Two-person households spent substantially less per person—$10.47—and households of six or more spent an average of just $5.76 per person.

The role of age and wage earners

Among all age groups, the largest proportion of the food budget spent on dining out occurs in households headed by persons under the age of 25. In 1985 these households spent almost half (49 percent) of their total weekly food budgets on meals and snacks away from home.

In comparison, those households headed by individuals between 35 and 44 years of age spent a smaller proportion of their weekly food budget on dining out—38 percent. These households, however, spent the most in actual dollars—$28.65 per week on average, compared to $17.62 per week for households where the head was under the age of 25.

According to the 1985 *Consumer Expenditure Survey*, working individuals who live alone spent almost six out of every 10 food dollars on dining out or $20.52 per week.

In comparison, households consisting of two or more persons with only a single wage earner spent a smaller proportion of their food budget on dining out—29 percent. In households of two or more persons where two individuals were working, a higher proportion (37 percent) of the food budget was allocated to food away from home.

—Hudson Riehle

Spotlight on 35 to 44-year-olds

Although 35 to 44-year-olds appear to mirror the demographic makeup and restaurant usage patterns of the 25 to 34-year-old segment, differences in dining-out behavior exist between these two parts of the baby boomer generation. Thirty-five to 44-year-olds order different types of foods, dine at different restaurants and tend to be more nutrition-conscious.

The baby boomer popularized in the media is best represented by the demographic characteristics of 35 to 44-year-olds.

□ **Family life.** A major difference between 35 to 44-year-olds and the younger half of the baby boomer generation lies in the proportion of each age group that is married with children. Nearly 80 percent of all 35 to 44-year-olds were married in 1986 compared to 65 percent of 25 to 34-year-olds. But, more significantly, almost 70 percent of all households headed by 35 to 44-year-olds included children under the age of 18. Only 56 percent of households headed by a 25 to 34-year-old had a child under 18.

Not surprisingly, 35 to 44-year-olds also have more children under the age of 18 in their households than do other age groups. Families in this age group had, on average, 1.65 children in 1986, compared to 1.46 children for those between the ages of 25 and 34. And these children tend to be older. Whereas 44 percent of the family households headed by 25 to 34-year-olds had children only under the age of six, 10 percent of the 35 to 44-year-old families were in a similar situation. The children in 70 percent of these older households were between the ages of 6 and 17. This places a different set of demands on parents. With older children, 35 to 44-year-olds have their own restaurant requirements and expectations.

Family responsibilities also extend to other areas of domestic life, including home ownership. With high incomes and sufficient time to accumulate savings and raise larger families, 35 to

Growth in traffic among 35 to 44-year-olds at quickservice restaurants

Ethnic restaurants have led the way in traffic growth

	1986/1982
Asian	163%
Pizza	71
Mexican	63
Full menu	37
Chicken	30
Hamburger	23
Total quickservice	31%

Source: National Restaurant Association CREST survey, 1987

Quickservice profile for 35 to 44-year-olds

Percent of eater occasions	**1982**	**1986**
• off-premises	58%	60%
• on-premises	42	40
Percent change in eater occasions 1982/86		
• off-premises	35%	
• on-premises	24	
Share of total increase in eater occasions 1982/86 attributed to		
• off-premises	66%	
• on-premises	34	

Source: National Restaurant Association CREST survey, 1987

When and where 35 to 44-year-olds ate, 1986

Quickservice restaurants had the largest share of total visits

	Share of eater occasions	
	Male	**Female**
Breakfast/a.m. snacks	15%	13%
Lunch	38	37
Dinner	37	39
P.M. snacks	10	11
Quickservice	68	69
Midscale	23	22
Upscale	9	9

Source: National Restaurant Association CREST survey, 1987

44-year-olds are likely to be home owners. More than 70 percent of 35 to 44-year-old households owned their own home.

□ **Income.** The ability of 35 to 44-year-olds to afford their own homes reflects their high levels of income. In fact, 35 to 44-year-olds account for just one-fifth of all households, but they earned nearly 26 percent of total U.S. household income in 1986. Further, the median household income for 35 to 44-year-olds was $32,787 in 1986, compared to $25,898 for 25 to 34-year-olds, a noticeable gap. Nearly one in four 35 to 44-year-old households earned at least $50,000 per year. Nearly 38 percent of their average weekly expenditure on food goes to restaurants, the highest percentage of any age group.

□ **Dual-income households.** The high income level of 35 to 44-year-olds comes from their being closer to their peak earning years and from the preponderance of two-income households among this age group. Among married couples, where both are between the ages of 35 and 44, 67 percent earn dual incomes. In fact, among married females, those 35 to 44-years-old were the most likely to be in the labor force in 1986. Sixty-nine percent of married females in this age group were either employed or looking for work, compared to 96 percent for their male counterparts.

□ **Education.** As with 25 to 34-year-olds, older baby boomers are a well-educated group. Nearly 40 percent completed high school, and more than one-quarter finished college.

Quickservice restaurants most popular

According to CREST data, 35 to 44-year-olds account for 17 percent of all restaurant occasions, the second largest share among age groups, behind 25 to 34-year-olds. More importantly, these older baby boomers accounted for more than one-quarter of the growth in total restaurant traffic between 1982 and 1986, the largest growth share of any age group. The younger baby boomers, who through their greater numbers accounted for a higher share of traffic, contributed only 14 percent of traffic growth during that five-year period.

Quickservice restaurants account for the largest share of restaurant visits by 35 to 44-year-olds, just as they do with 25 to 34-year-olds. Nearly 70 percent of all visits by 35 to 44-year-olds were at quickservice restaurants in 1986, with burger places capturing the largest share—37 percent—of meal occasions. Pizza places were also popular with 35 to 44-year-olds, attracting more than 17 percent of all quickservice eater occasions. These two types of restaurants accounted for more than half of all quickservice visits. After hamburger and pizza establishments, chicken operations were the next most popular quickservice restaurant, representing for 7 percent of fast food eater occasions.

Midscale restaurants were slightly more popular with 35 to 44-year-olds than with their younger counterparts. In the midscale segment, 35 to 44-year-olds preferred varied menu, family-style, cafeteria and family steak restaurants, suggesting that this family-oriented age group looks to midscale establishments for value.

Upscale restaurants accounted for approximately 9 percent of the 35 to 44-year-olds' eater occasions, and varied menu and ethnic establishments were the restaurants of choice. Varied menu operators captured the overwhelming share of occasions (about 40 percent) within this segment; Mexican and Asian eateries each represented 10 percent of visits. In addition, hotel restaurants were popular with 35 to 44-year-olds, garnering 13 percent of all upscale occasions.

Takeout growth strong

The popularity of takeout with 35 to 44-year-olds can be seen in their large degree of off-premises dining—45 percent of all eater occasions. And the popularity of takeout is growing among the baby boomer generation. More than 25 percent of all growth in takeout occasions between 1982 and 1986 can be ascribed to 35 to 44-year-olds.

More than two-thirds of takeout occasions were transacted through traditional carryout service in 1986. Another one-quarter was accomplished via drive-thru windows, with the remainder the result of home delivery. Compared to the 25 to 34-year-old age group, 35 to 44-year-olds use carryout more and delivery and drive-thru less.

The popularity of takeout food with 35 to 44-year-olds is most likely due to the same factors that affect 25 to 34-year-olds: limited leisure time and a desire for convenience. Because 35 to 44-year-olds are in the midst of raising families, there is a strong demand for convenient foods. This is compounded by the large percentage of two-income families. With both parents working, little time is avail-

Health and nutrition awareness, by age

Thirty-five to 44-year-olds are more concerned about nutrition than younger baby boomers

	Very informed about health and nutrition issues	Consider self overweight	Currently on a diet
Male			
18-24	32%	6%	8%
25-34	23	42	12
35-44	40	50	20
45-54	15	56	18
55-64	30	54	12
65+	40	44	17
Female			
18-24	28	26	19
25-34	36	36	25
35-44	48	49	26
45-54	62	48	29
55-64	51	44	31
65+	44	40	12

Source: *Consumer Nutrition Concerns and Restaurant Choices*, National Restaurant Association, 1986

able for preparing dinner. In addition, work schedules do not always allow parents to get home, shop and cook supper in time for their children's normal dinner hour. Restaurant takeout can be a saving grace for parents after a long day at work.

Pizza chains have keyed in on the demand for quick delivery service, offering discounts or refunds for food not delivered within a specified period of time. A 1986 National Restaurant Association study of the takeout market illustrates the family-oriented use of takeout by 35 to 44-year-olds. According to the survey, nearly half of the 35 to 44-year-old respondents purchased their last takeout meal for household members. A smaller proportion, 39 percent, purchased takeout food for only themselves.

Takeout food is associated with quickservice restaurants. According to the association's takeout market study, frequent consumers of takeout food most often visited fast food restaurants. Sixty-two percent of 35 to 44-year-olds used fast food establishments when ordering takeout in 1986; 30 percent ordered takeout food at tableservice operations and 24 percent used grocery store carryout. The percentages patronizing fast food places for takeout food declines with age.

Menu preferences

Like 25 to 34-year-olds, members of the 35 to 44-year-old age group most often ordered sandwiches, pizza and chicken at restaurants in 1986. Sandwiches were the clear favorite, ordered on 32 percent of all restaurant eater occasions. Hamburgers, included in the sandwich category, were ordered on 18 percent of all occasions. As the age of consumers increases, the propensity to order burgers and sandwiches decreases.

At quickservice operations, sandwiches, with a 39 percent share of all occasions, were the order of choice, followed by pizza—ordered on 16 percent of all quickservice occasions—chicken and Mexican food.

Sandwiches are the most popular item at midscale restaurants as well. Beef and fish/seafood, with eater shares of 11 and 9 percent, respectively, replaced pizza as menu favorites at midscale eateries. And Asian food, ordered on 5 percent of occasions, is also a popular midscale restaurant request among 35 to 44-year-olds.

Ethnic food popular at upscale eateries

Ethnic food is most popular with 35 to 44-year-olds at upscale establishments. Mexican, Asian and Italian food were each ordered on nearly one in 10 dining occasions at upscale restaurants during 1986. Beef and seafood, however, remain the upscale orders of choice for this age group.

The growing demand for ethnic food by 35 to-44-year-olds is best exemplified by the increase in orders for these menu items at all restaurants. Between 1982 and 1986, orders of pasta, Mexican food and Asian dishes experienced growth of at least 40 percent. Pizza orders rose at an astounding rate of more than 70 percent. Thirty-five to 44-year-olds accounted for approximately one-fifth of the growth in total orders of pizza, pasta and Mexican food. And they accounted for nearly 25 percent of the growth in Asian food orders. In comparison, beef orders declined, and fish or seafood orders rose by less than one percent.

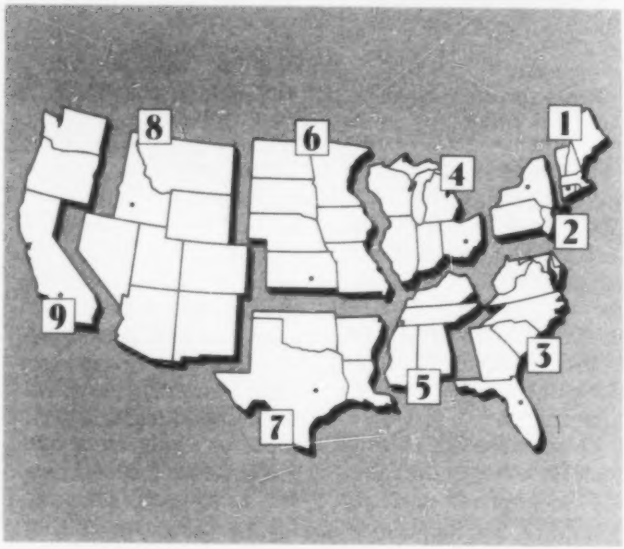
Health and nutrition awareness

An important difference between 25 to 34-year-olds and 35 to 44-year-olds is the latter group's increased awareness of health and nutrition. Thirty-five to 44-year-olds, caught between youth and middle age, are more aware of the aging process.

More than 40 percent of those aged 35 to 44 considered themselves very informed about health and nutrition issues, according to a 1986 National Restaurant Association study. Among men, 35 to 44-year-olds made this claim more often than did any other age group. Showing further concern for health, half of the 35 to 44-year-olds considered themselves overweight, compared to less than 40 percent of those between the ages of 25 and 34. One in four 35 to 44-year-old women claimed to be on a diet as did one in five men, the highest percentage among male age groups.

Among women, diet restrictions appear to be common. Eighty percent of surveyed females between the ages of 35 and 44 said they restricted their intake of salt. Another 81 percent restricted sugar, and 77 percent restricted cholesterol and fat. In contrast, 65 percent of females aged 25 to 34 restricted salt in their diets and 57 and 64 percent, respectively, restricted cholesterol and fat. The increased concern shown by 35 to 44-year-olds suggests that there are major differences in health awareness between the two parts of the baby boom generation.

—Laurence Greenberg



1 NEW ENGLAND

Location: Windsor Locks, CN
Association member: Bernard Pietruskiewicz
Operation: The Steak Club
Profile: One of seven midscale restaurants
In business: 17 years
Seats: 211
Meals served: Lunch, dinner

"For this time of year, business is real good. We're ahead of last year, and we had a super year last year," says **Bernard Pietruskiewicz,** general manager of The Steak Club in Windsor Locks, Connecticut.

The Windsor Locks unit is one of five Steak Clubs in Connecticut. There is also one in New York and one in Massachusetts. In addition to steaks, The Steak Club serves a variety of seafood and chicken. But prime rib is the big draw. "It's an excellent deal for the price. It's cooked very slowly at a low temperature, which makes it very flavorful and very tender," Pietruskiewicz says.

"We have quite a big menu. There is something for everyone. If you want to eat light you can, and if you want to eat heavy, you can do that too," he says.

2 MID ATLANTIC

Location: Newark, NY
Association members: Dolores and Joseph Castelli
Operation: Castelli's Village Inn
Profile: Midscale restaurant
In business: 12 years
Seats: 250
Meals served: Lunch, dinner

"How's business? Down. We don't have the clientele we used to because of the loss of the business meal tax deduction. Also, it is becoming a pretty depressed area here," says **Debbie Castelli,** one of the owners of the family-owned Castelli's Village Inn. Business is down 15 to 20 percent from November, according to Dolores Castelli, who attributes the decline to the stock market crash and the low number of holiday parties in December.

A bright spot in the bleak business picture is carryout, which has increased about 20 percent in the last six months. "We haven't really promoted it; it's just been by word of mouth," says Debbie Castelli.

The Village Inn offers customers a relaxed, pub-like atmosphere. It is located in a quaint, one-story building built in 1910. Since then, five rooms have been added.

Homemade soups, pastry and breads have made Castelli's Village well-known in both nearby Rochester and Syracuse.

3 SOUTH ATLANTIC

Location: Deland, FL
Association member: Jim Houck
Operation: King Neptune, Inc.
Profile: 7 Kentucky Fried Chicken franchise units
In business: 15 years
Seats: 45
Meals served: Lunch, dinner

"Business has been good. There has been substantial growth in Florida, and we are receiving our proportionate share of the growth," says **Jim Houck,** owner of seven Kentucky Fried Chicken franchise units in east central Florida. Houck's seven stores are spread out in a 140-mile area across three counties.

"The biggest change we have made recently is upgrading our facilites as a major franchise contender to better serve our market," Houck says. Included in that upgrade was reconstructing one unit in Titusville because traffic patterns had changed in that area. In addition to the Titusville unit, Houck has units in Palatka, Deland (two), Deltona and New Smyrna Beach (two).

4 EAST NORTH CENTRAL

Location: Athens, OH
Association members: Pat Sauber, Terry Glasser
Operation: McDonald's
Profile: One of four franchise units
In business: 18 years
Seats: 100
Meals served: Breakfast, lunch, dinner

"Last year our sales were pretty flat. This year January was up 6½ percent, which is pretty good," says **Terry Glasser,** general manager of a McDonald's franchise in Athens, Ohio. Glasser said it was difficult to tell if the sales slowdown in 1987 was caused by the weather or the economy.

Glasser's unit, one of two in Athens, is like most McDonald's, except for its sunroom. Also, it was one of the first McDonald's to get a double drive-thru. "The corporation wanted us to do that when we remodeled the entire kitchen. Since we're kind of cramped for space, it's okay, but I don't believe it improved our business enough to warrant the amount we spent on it. As far as service goes, it's worked out pretty good."

Another corporate idea—the cheddar melt—has worked much better. "That has been about 7 percent of our sales," Glasser says, "so that's real good."

Glasser says McDonald's is very involved with the franchise. The corporation holds regular meetings and inspections to go over new products. "They keep very close tabs on all of their stores," he says.

5 EAST SOUTH CENTRAL

Location: Memphis, TN
Association member: David E. Lemon
Operation: Flautt Properties Incorporated
Profile: Franchise corporation that runs hotels and hotel foodservice
In business: 12 years
Seats: Varies according to

property
Meals served: Breakfast, lunch, dinner

"Most hotel restaurants work at a break-even point," says **Larry Welch,** vice president of food operations for Flautt Properties Inc. "We try to work at a 19 to 20 percent profit margin in the restaurants. It's tough, but at the close of the year it works out."

Flautt Properties owns 19 franchised hotels throughout the Southeast and runs the foodservice operations in each one of those hotels. All of the hotel restaurants offer roomservice, but apart from that, they differ greatly. When Flautt takes over a hotel, it puts in a restaurant that it believes fits that particular hotel and surrounding area.

However, there are some similarities in the menus. All serve sandwiches for lunch, have fit and trim menus and serve about 60 percent red meat and 40 percent white meat. "We're selling lots more fish and lots more shrimp than we used to," Welch says.

Flautt Properties operates franchised hotels for Holiday Inn, Hilton, Ramada and Royce. Each hotel, each restaurant and each lounge operates under its own budget.

6 WEST NORTH CENTRAL

Location: Wichita, KS
Association members: Craig and Dale Steven, et al
Operation: Spangles Incorporated
Profile: 11 company owned fast food units
In business: 9 years
Seats: 100
Meals served: Lunch, dinner

"Business is super for us; for the competition, it's not as good," says **Dale Steven,** owner of Spangles Inc. "We opened three stores last year in Wichita."

Steven's 11-unit fast food chain, which he runs with his brother Craig, is now expanding beyond Wichita and may begin franchising itself early in the next decade. "Our goal is to some day franchise," Steven says. "There is no big hurry; we want to do it right."

Steven's units are about 3,000 square feet and contain an all-you-can-eat salad bar for $2.99. One-third of the bar contains Mexican fare, allowing customers to make their own tacos, burritos or nachos. "Our mainstay is our all-you-can-eat salad bar, but we also have a line of sandwiches, a line of chili and a line of hot dogs," he says.

Recently, Steven began putting sundae bars in his units. The bars offer 10 toppings and numerous accessories, such as peanuts and chocolate chips. Steven says they have done well.

7 WEST SOUTH CENTRAL

Location: Austin, TX
Association member: Craig Lovejoy
Operation: Domino's Pizza
Profile: 15 franchise units
In business: 13 years
Seats: 0
Meals served: Lunch, dinner

"We are doing surprisingly well," says **Craig Lovejoy,** owner of 15 Domino's Pizza franchise units in the Austin, Texas, area. "The Texas economy, as everyone knows, is biting the bullet. But our sales are up over the previous year."

Lovejoy began in the early days of Domino's franchising, opening his first unit in 1975. He plans to open three or four more units in the near future. All of his units are 11,000 square feet and contain the standard Domino's equipment. "If you've seen one, you've seen them all," he says. "This makes it easy to run a group of franchises because if you close one store, you know you can fit the equipment in easily at another store."

Lovejoy says his units are run the same as other Domino's, except for the manager bonus system. At most Domino's the manager gets a bonus based on store sales. At Lovejoy's units the managers get half of their bonus from their unit and half from a pool from all of the units. "This encourages a lot more cooperation between the stores," he says.

8 MOUNTAIN

Location: Twin Falls, ID
Association member: Stephen, Leo and Tim Soran
Operation: Soran Restaurants Inc.
Profile: A privately owned fullservice restaurant, banquet club and catering service
In business: 29 years
Seats: 177
Meals served: Breakfast, lunch, dinner

"Last year was the best year we ever had, as far as volume and customer count are concerned," says **Stephen Soran,** one of the owners of Soran Restaurants Inc. "Our catering business has never been better."

The family-owned Soran Restaurants operates a fullservice restaurant, a banquet club and a catering service. The restaurant—the Depot Grill—accounts for most of the corporation's sales. The front room of the Depot Grill operates much like a diner and is open 24-hours-a-day. The Depot's rear room, called the Caboose Room, operates like a traditional family-style restaurant.

The Caboose hosts a locally popular smorgasbord, which includes roast beef, sweet and sour chicken, liver and onions and steaks.

9 PACIFIC

Location: Oceanside, CA
Association member: Roy Ring
Operation: The Californian Yogurt Company
Profile: One of six franchise units in California
In business: 1 year
Seats: 35 indoors, 12 outdoors
Meals served: Lunch, dinner

"In general, business is good," says **Dan Foster,** owner of a franchise unit of The Californian Yogurt Company. "Our main season is summertime, as I suppose it is most places. We're kind of in the middle of our slowest season."

The yogurt company serves frozen yogurt, yogurt shakes, yogurt sundaes, beverages, cookies and muffins. The company rotates its flavors, serving 10 of its 30 creations at any one time. Chocolate, vanilla, strawberry and coconut are the most popular flavors, but more exotic ones, like strawberry cheesecake, also sell well.

The company creates a cheery, California look in its units by using a lot of red, white and blue and strategically placed palm trees. It's an atmosphere that many customers enjoy. "I think a lot of people like to come in and enjoy the bright atmosphere. They can relax and don't feel like they are getting pushed out."

—Tom McKeon

New menu item for McBabies

McDonald's has added a new menu item for those customers who are too young to enjoy a Big Mac and Chicken McNuggets—baby food. The tiny glass jars, which are selling for 35-45 cents each, contain the real stuff from Gerber Products Company, not shredded cheeseburgers or strained french fries.

The baby food program, which appears to be simply an added convenience to customers, is being tested at units in Allentown and Emmaus, Pennsylvania, and will not be expanding to any other outlets anytime soon. The market, however, literally is crying out for more strained carrots and apple juice—last year, American families spent $712 million on baby food. There are 3.7 million infants in the country, and Gerber says the average baby eats 880 jars of food in the first 18 months of life.

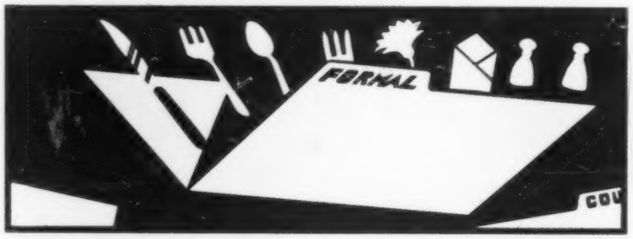
—USA TODAY

A restaurant in a file

Now even office workers who brown bag their lunch can have the sensation of eating in a restaurant, thanks to Lunch-In Mat, a laminated placemat that looks just like a file folder until it is opened and a complete table setting pops up.

The Lunch-In Mat, manufactured by Banning Enterprises of Bellmore, New York, sells for $4.99 and comes in three styles. Brown baggers can choose from a formal restaurant look, a country casual motif or a diner style that folds out to look like a formica-countered place setting, complete with utensils, salt and pepper shakers, water glass and napkin and sugar dispensers. The only thing missing is the jukebox.

—Cook's Magazine



Automatic chopsticks

There is good news for diners who were never able to master the art of using chopsticks. With Automatic Chopsticks, a new product marketed by BD Distributors of Marina Del Rey, California, even the chopstick novice can discover the joys of traditional Eastern dining.

The key to the new product is a plastic disc that holds the two chopsticks together near the top of the sticks. The disc, which also provides a slight spring action, can even be imprinted with a message or logo that is guaranteed to reach eye level with every bite.

—BD Distributors

Arby's goes Asian

Tanizawa Foods has opened its first Arby's roast beef restaurant in Chiryu City, Japan. The restaurant, located near Nagoya, is the first free-standing Arby's in Japan and features Arby's standard menu and a drive-through area for takeout.

Headquartered in Okazaki, Tanizawa Foods is one of Japan's largest franchise foodservice companies. Its joint agreement with Arby's calls for opening 40 Arby's restaurants over the next four years in the Tokaido area between Tokyo and Osaka. Tanizawa Foods currently operates 80 other franchised restaurants in Japan.

Japan has seen tremendous growth in the fast-food industry during the past few years. According to Noriyoshi Tanizawa, the roast beef sandwich will be the next fastest growing fast food item in Japan.

—Arby's, Inc.

Fat substitute on its way

In a major breakthrough in the food industry, NutraSweet Company expects to begin selling a low-calorie, cholesterol-free fat substitute within the next 12 to 18 months. The product, Simplesse, could be a boon to weight and health-conscious consumers who want the flavor and texture of fat without the calories.

Because it will likely hit the market before Procter & Gamble Company's Olestra, another fat substitute, Simplesse will also be a boon for the NutraSweet Company, whose stock skyrocketed immediately after the product unveiling.

Simplesse is designed to be used in ice cream, margarine, yogurt, processed cheese, salad dressing and a range of other products. It is made through a process that changes the size, shape and texture of milk and egg white proteins, says NutraSweet. The product's clearest drawback is that, unlike Olestra, it can't be used for frying and baking. NutraSweet says heat would cause Simplesse to gel and lose its creaminess.

Simplesse has 1.3 calories per gram, fat has 9 calories per gram. A four-ounce serving of chocolate ice cream would be reduced from 283 calories to 130 calories with Simplesse; a 99 calorie tablespoon of mayonnaise would be reduced to 30 calories.

—Washington Post, Wall Street Journal, and USA TODAY

National Restaurant Association Restaurant, Hotel-Motel

SHOW

May
21–25
1988

Attend this year's Show and experience the most comprehensive gathering of foodservice trends, information and innovations.

Bigger and better than ever, the Show will expose you to everything you need to know to keep on top of the industry.

Here's a taste of what you won't want to miss:

- 1,900 exhibitors from around the world offering the latest industry ideas and equipment
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- A doubled-in-size Culinary Arts Salon showcasing the latest food presentation techniques.

For additional information call or write:

OLE MEXICO ■ NO-SMOKING SECTIONS ■ AUSTRALIAN PROMOS

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION

VOL. 8 □ NO. 4 □ APRIL 1988

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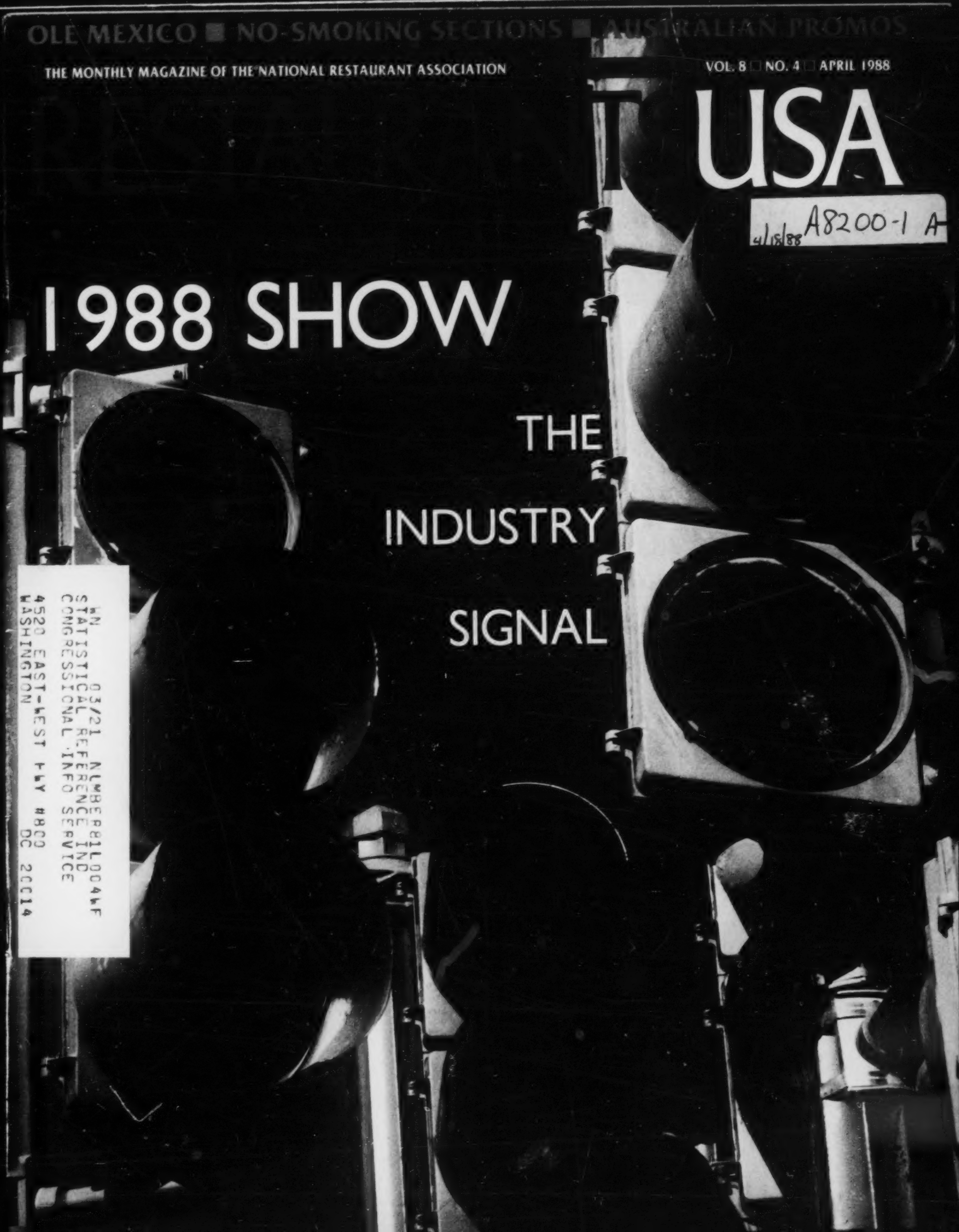

1988 SHOW

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ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

4/26	Boston, MA
4/27	Albany, NY
5/2	Norfolk, VA
5/3	Atlanta, GA
5/10	Wilmington, DE
5/21	Chicago, IL
6/14	Los Angeles, CA
6/15	Riverside, CA
6/28	Portland, OR
6/29	Seattle, WA

Increasing Sales: Effective Front-of-the-House Management

5/19	Hartford, CT
5/22	Chicago, IL
6/21	Burlington, VT

Kitchen Management

4/18	Houston, TX
4/19	Phoenix, AZ
4/20	Boise, ID
5/4	Detroit, MI
5/5	Pittsburgh, PA
5/21	Chicago, IL
6/6	Boston, MA
6/7	Albany, NY
6/13	Washington, DC

Employee Motivation

5/21	Chicago, IL
5/24	Omaha, NE

Tools for Training

5/22	Chicago, IL
6/21	Austin, TX
6/22	New Orleans, LA

Food Production Courses

Soups and Sauces

4/18	St. Louis, MO
4/19	Minneapolis, MN
5/19	Savannah, GA
5/22	Chicago, IL
6/13	Grand Rapids, MI

Foodservice Management Courses

Banquet Management

4/20	Tampa, FL
4/21	Newark, NJ
6/7	Houston, TX
6/8	Dallas, TX

Beverage Management

5/21-22	Chicago, IL
6/28-29	San Francisco, CA

Do-It-Yourself Public Relations

4/20	Nassau, NY
4/21	Providence, RI
6/8	Tysons Corner, VA
6/9	Baltimore, MD
6/14	Pittsburgh, PA

Food Cost Management

5/22	Chicago, IL

Hiring in a Tight Labor Market

4/26	Atlanta, GA
4/27	Orlando, FL
5/11	San Francisco, CA
5/12	San Diego, CA
5/22	Chicago, IL

Menus That Sell!

4/21	Bethesda, MD
5/3	Covington, KY
5/21	Chicago, IL
6/16	Columbia, SC

Off-Premises Catering

5/3-4	Baltimore, MD
5/21-22	Chicago, IL

Operational Analysis

5/21-22	Chicago, IL

Planning and Implementing a Restaurant Marketing Strategy

5/21-21	Chicago, IL

Planning Successful Buffets

4/25	Riverside, CA
4/26	Long Beach, CA
5/21	Chicago, IL

Profitability

5/22	Chicago, IL

Restaurant Design

5/21-22	Chicago, IL

Restaurant Real Estate Site Selection

5/21-22	Chicago, IL

Wine Server Training

5/5	Dallas, TX
6/21	Chicago, IL
6/22	Cincinnati, OH

For more information, contact Frank Doyle at the Educational Foundation of the National Restaurant Association 1200 Seventeenth St., N.W., Washington, DC 20036-3097 (800) 424-5156 or (202) 331-5900

EXECUTIVE STUDY GROUP SERIES

Foodservice Purchasing Managers

5/18–20 Chicago, IL

Internal Auditors

4/26–29 Charleston, SC

Management Information Systems (MIS—formerly EDP)

4/12–17 Scottsdale, AZ

Marketing Executives

5/18–21 Chicago, IL

Multi-unit Architects, Engineers and Construction Officers (MAECO)

5/18–20 Chicago, IL

Quality Assurance

4/20–22 San Diego, CA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTS USA

VOL. 8 NO. 4 **APRIL 1988**

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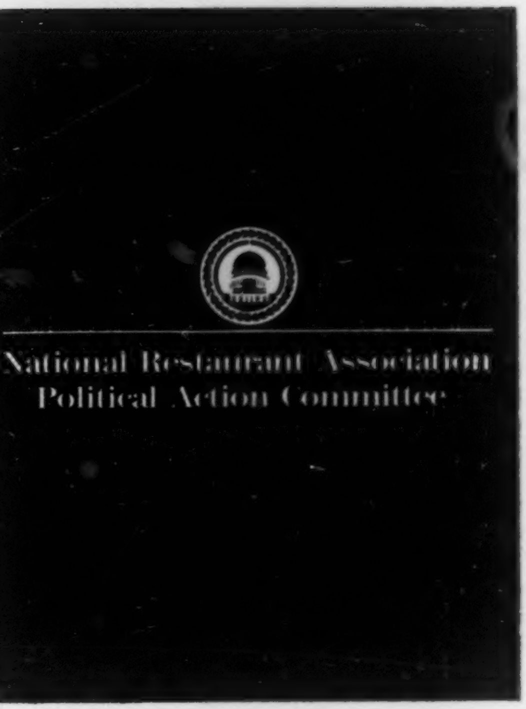
PRESIDENT'S REPORT

**Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY**



National Restaurant Association
Political Action Committee

The National Restaurant Association's Annual Restaurant, Hotel-Motel Show is the direction signal for the industry. Which way is the industry going? How can you meet changing consumer tastes? How can you take advantage of new technology and equipment? Which way should you go to keep your business growing? The Show, with its 1,900 exhibits from the United States and around the world, answers these questions.

The Show is a real learning experience. The signature and theater series and management clinics bring together leading business and foodservice luminaries to discuss major operational challenges. And the educational foundation offers 18 different seminars on subjects ranging from employee motivation and hiring in a tight labor market to menus that sell and restaurant design.

May 21 through 25 are the dates. It is not too late to arrange to be at the annual restaurant Show in Chicago.

Last month the House Education and Labor Committee added an amendment to the minimum wage bill which would raise the tip credit from the current 40 percent to 45 percent in 1989 and 50 percent in 1990. This amendment resulted from intensive lobbying and grassroots activity for which the staff and membership are to be congratulated.

But our struggle has really just begun. The committee also included in the bill a fourth year increase which would bring the minimum wage to $5.05 in 1992. This fourth increase may have been added as a bargaining chip. Still, business cannot absorb the wage hikes the bill contains.

Now is the time for you to act. During April the House will vote on the minimum wage bill, and the Senate Labor Committee will draft its version of the bill. Write or call your congressional representative and senators today. Give them a twofold message:

1. Increases in the minimum wage are counterproductive. Saddled with mandatory wage increases, restaurateurs will be forced to reduce employee hours.

2. If tips are treated as wages for FUTA and FICA tax purposes, they should be treated as wages in regard to minimum wage. The tip credit should be increased to at least 50 percent.

There is good news in regard to another potentially damaging bill. After four unsuccessful attempts to break a filibuster, the Senate has dropped the High Risk Notification Act. Passed by the House last year, this legislation would have required that all present and past employees be notified of any substance used on the job that is deemed a health risk. The bill completely ignored existing agencies that handle such problems. The Senate action makes it unlikely that the legislation in its present form will become law.

[redacted]

The Targeted Jobs Tax Credit (TJTC), which allows employers a tax credit for hiring among specified minority groups, survived tax reform, but it is due to expire at the end of 1988. The association has already begun lobbying for its renewal. Members who have benefited from TJTC, or think they might, should write their representatives today.

[redacted]

Research has issued two new publications. Key members will shortly receive a current issues report on the labor market. It shows that most areas of the country still have an adequate supply of employees and that problems are regional. The report provides information on how to assess the labor supply and how to work with state employment services to find qualified employees.

The second study is *The Survey of Wages and Benefits for Salaried Employees and Executives.* This survey, conducted by the association in collaboration with Laventhol and Horwath, offers the latest available information on managerial level wage rates and benefit packages. It is now available through the association's publications department.

[redacted]

On the back cover of the magazine you will find a message about the National Restaurant Association PAC. Year in and year out, Congress makes laws that affect your business. Unfortunately, many members of Congress have not bothered to learn the needs of a growing industry. Our PAC seeks out and contributes to the federal campaigns of legislators who have shown they understand our problems and point of view.

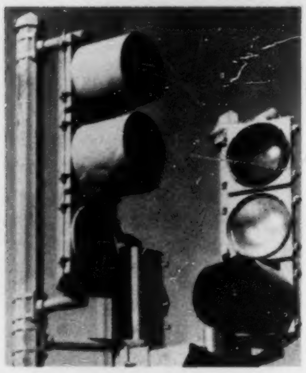
I urge you to fill out the enclosed solicitation authorization form (between pages 46 and 47). By doing so, you may change the course of legislation in our country.

It is my pleasure to welcome 117 new members who joined the National Restaurant Association in March. Your participation in the association will benefit your business and will make the association more effective in its representation of the foodservice industry.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA



COVER STORY: PRE-SHOW NEWSLETTER

19

Which way is the industry headed? Find out at the 69th annual National Restaurant Association Restaurant, Hotel-Motel Show at Chicago's McCormick Place, May 21-25. For a preview of what to expect, turn to the pre-Show newsletter.

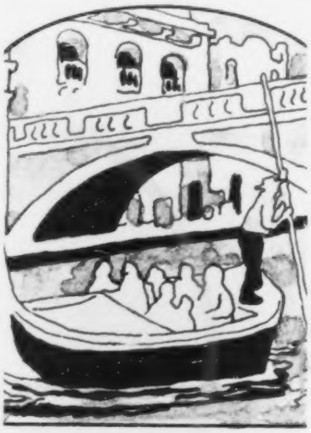
SPECIALS

9 OLE! Mexican cuisine a new way

Mexican restaurants are changing and customers are responding positively to the more authentic flavors. Operators are highlighting regional dishes and creating new hybrid menus. The decor is changing, too, reflecting the spirit and colors of Mexico and her people. A *Foodservice Trends* sidebar discusses the segment's growth.

16 Enriching ethnic edibles

The popularity of ethnic foods continues to increase and so does consumer interest in nutrition. This assessment of Mexican, Chinese, Japanese, Italian, Greek and French cuisines will help you make ethnic dishes healthier. Don't miss the recipes—they'll get you started.



30 Regional marketing

We live in a large and diverse nation. The way people live, work and eat varies from state to state, region to region, neighborhood to neighborhood. It is up to restaurateurs to translate national trends to their local audience—a challenging, but rewarding, task.

KANGAROOS
NEXT
10 km

32 You can be saucy with the spirit of Aussie

As the Australian people celebrate their nation's 200th anniversary, restaurateurs in the United States can join the fun. From adopting "nifty" decor or dress to using a bit of Aussie "lingo," there is no limit to the number of "ace" promotional ideas from the land down under.

34 No-smoking sections, no nonsense

Nonsmokers represent two-thirds of our nation's population, and they are not a group to be ignored. Recent legislation in some communities has forced restaurateurs to yield to anti-smoking sentiment. And this trend is likely to spread.

DEPARTMENTS

6 Short Orders
- ☐ Call out for side dishes from America's inns
- ☐ Educational foundation update
- ☐ Restaurant design video
- ☐ Grangien wins seafood title
- ☐ Silver Oats to benefit the hungry

8 Washington Report
- ☐ House labor committee signs off on minimum wage hike
- ☐ Polygraph bill passes Senate

36 Fisher's Law
- ☐ Business as usual—almost

37 Foodservice Trends
- ☐ New wage and benefits study
- ☐ Foodservice employment to top 11 million by 2000
- ☐ Forty-five to 54-year-olds closeup

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought
- ☐ Money plus at Central Park
- ☐ West meets East?
- ☐ Brave new foods
- ☐ American students win prizes in British open
- ☐ How consumers read menus

Cover photograph by Bob Severi

Grangien wins seafood title

Executive Chef Patrick Grangien, owner of Gerard's Haute in Malletts Bay, Vermont, won the title of America's Best Seafood Chef after competing against 31 other professional chefs in the American Seafood Challenge at Historic Charles Towne Landing in Charleston, South Carolina.

The French-born chef dazzled the judges with his entree of *Fillet of Sole on a Bed of Leeks with a Coulis of Potatoes and a Potato Rose Garnish.* His winning menu also included:

☐ Marinated farm-raised Atlantic salmon with mushroom mousse with olive oil and lime dressing

☐ Crab and sea scallop stuffed with zucchini in a sea urchin sauce

☐ Cold tomato and red pepper soup with an oyster cream and

☐ Fillet of snapper in a ratatouille sauce with a garlic flan.

The menu was created from the ingredients provided in the mystery market and scored the highest points for originality, difficulty of preparation, presentation and culinary skills.

Second place went to Michael Robins, executive chef for CPC International, Inc. of Englewood Cliffs, New Jersey, for his entree of *Grilled Mackerel with Pineapple Salsa.*

In third place was Elka Gilmore, executive chef and owner of Tumbleweed Restaurant in Beverly Hills, California, who prepared *Black Bass Wrapped around Asparagus with Rosemary and Onion Marmalade.*

The annual competition is sanctioned by the American Culinary Federation, which provides professional direction, rules and judges for the event.

Happy chef Grangien was awarded $3,000 in cash and a gold medallion for winning the American Seafood Challenge.

Silver Oats to benefit the hungry

The International Foodservice Manufacturers Association (IFMA) 1987 Silver Plate Award winners have been invited to participate in the "Silver Oats" program sponsored by the Quaker Oats Company. In exchange for developing a unique breakfast recipe featuring Quaker products, the company will donate more than $500 to Second Harvest, America's food bank network, on behalf of each winner.

The Silver Plate Awards are presented annually by the International Foodservice Manufacturers Association to "Operators of the Year" in recognition of lasting and outstanding contributions to the advancement of the foodservice industry.

"Bringing together individuals who have won the highest industry honor to help those less fortunate than ourselves is, we believe, a first-of-its-kind effort and we're proud to be the corporate sponsor," said Russell L. Jones, president of the company's foodservice division, in

Restaurant design video

A do-it-yourself restaurant design kit—"How To Design A Successful Restaurant"—is available from DiLeonardo International in Warwick, Rhode Island. The kit features three 10-minute videocassettes, a 120-page workbook and a source guide to major suppliers of restaurant furnishings. Design accessories are also included.

"It's a real breakthrough in restaurant design," says Bob DiLeonardo, president of DiLeonardo International. "It was developed for the independent operator who doesn't have the budget to retain a professional designer. By watching the video, the individual operator can successfully design a restaurant using the same basic principles that top design firms use."

According to DiLeonardo, the video and the workbook cover every aspect of successful restaurant design from establishing a theme to preparing a floor plan and using color to influence customer behavior. Other topics include lighting, budgeting, acoustics, selecting furniture and fixtures and avoiding installation problems.

The cost is $495.

For further information, call Diane Capece at DiLeonardo International, 1-800-556-7408.

Call out for side dishes from America's inns

Attention owners, operators and chefs of inns. Here's a contest just for you. Create an award-winning side dish recipe in the UNCLE BEN'S Inn-to-Inn Recipe Contest, and you can win a nine-day trip for two to Rome—complete with airfare, ground transportation, lodging, cooking classes at Lo Scaldavivande Cooking School and $1,000. In addition to this grand prize, four winners will each receive a three-piece set of French copper cookware, valued at $325. Prize winners will also receive national attention in an ad in *Food and Wine* magazine.

Recipes may be entered in four categories: 1) UNCLE BEN'S Rice side dishes, 2) potato side dishes, 3) pasta side dishes and 4) other carbohydrate or vegetable side dishes. Each entry must serve 12 and must include the name of an entree with which it would be served at the inn. Entries must be postmarked by June 30 and received by July 15, 1988.

For complete contest rules, send name and address to Contest Rules, UNCLE BEN'S Inn-to-Inn Recipe Contest, P.O. Box 11166, Chicago, IL 60611.

making the announcement.

The "Silver Oats" menu of unique recipes will debut on Sunday, May 22, during the National Restaurant Association Show at a private breakfast held in Tiffany's (jeweler) on Chicago's Michigan Avenue.

The "Silver Oats" menu will then be featured at a series of industry trade shows in 1988/89.

Second Harvest, incorporated in 1979, is the nation's largest nongovernmental supplier of food assistance in the United States. Second Harvest solicits surplus food and grocery products from America's food industry and distributes these donations to a nationwide network of food banks. The food banks in turn distribute the food to soup kitchens, day care centers, senior centers, church pantries and other feeding programs for the needy. In 1986 alone, approximately 350 million pounds of food, valued at $500 million, were distributed to 38,000 local charitable feeding programs.

Silver Plate winners have been invited to donate their creativity on behalf of the hungry. Top row: John Pence, Kansas State University; Walter Staibe, Omni Hotels; John E. Tobe, Jerrico, Inc.; Paul Deignan, United and Childrens Hospitals, St. Paul; Neil Reyer, Chemical Bank.

Front row from left: Joseph Baum, Joseph Baum & Michael Whitman Co., Inc.; Frances Carr Parker, Kinston City Schools; Stephen Elmont, Creative Gourmets, Ltd.; James Maynard, Investors Management Corp.

Educational foundation update

Recognizing foodservice leaders

Industry-wide recognition will be given to five hospitality/foodservice leaders who will be inducted into the College of Diplomates of the Educational Foundation of the National Restaurant Association for their important contributions to education at the second annual "Salute to Excellence" dinner, Tuesday, May 24, at the Chicago Hilton and Tower, during the National Restaurant Convention. They are:

☐ Roger W. Coleman, president, Rykoff-Sexton, Inc., Los Angeles, California

☐ Thad A. Eure, Jr., president, The Angus Barn, Raleigh, North Carolina

☐ Richard J. Hauer, executive director, Educational Foundation of the National Restaurant Association, Chicago, Illinois

☐ Joe R. Lee, president, General Mills Restaurant Group, Inc., Orlando, Florida

☐ Jack E. Miller, department chairman, Hotel, Restaurant & Institutional Technology, St. Louis Community College at Forest Park, St. Louis, Missouri

Attendance at the dinner is on an invitation-only basis.

New home-study courses

Six hospitality management courses formerly offered by the New York State College of Agriculture and Life Sciences at Cornell University are now available for home study through the association's educational foundation.

Courses currently included in the series are *Effective Communication, Managing People, Restaurant Operations and Control, Restaurant Purchasing, Bar and Beverage Management* and *Helping Employees Grow*. Two additional courses are nearing completion: *Service: Managing the Guest Experience* and *Restaurant Security*.

For more information, contact the Educational Foundation of the National Restaurant Association, 20 N. Wacker Dr., Suite 2620, Chicago, IL 60606, (312) 782-1703. The price of each course is $50, which includes textbook, study guide, individual grading of assignments by an instructor, a final exam and a certificate of completion.

Foundation board elects Wood, Farquharson

Two new trustees have been elected to the educational foundation's board of trustees. They are:

☐ John R. Farquharson, president of ARASERVE, a division of ARA Services, Inc., in Philadelphia, Pennsylvania, and

☐ Robert S. Wood, Sr., executive vice president and chief operating officer, Bob Evans Farms, Inc., in Columbus, Ohio.

Foundation awards $225,550 to 178 students, teachers

To meet the industry's current and projected needs for properly trained and educated managers, 178 management students and teachers were awarded $225,550 in scholarships, fellowships and grants by the educational foundation for the 1987-1988 academic year.

The foundation-administered awards are funded by the International Foodservice Manufacturers Association; the H.J. Heinz Company; Joseph E. Seagram & Sons, Inc.; Griffith Laboratories USA; Artex International, Inc.; Harman Management Corporation; National Restaurant Association; Chicago Foodservice Marketing Club; National Association of Food Equipment Manufacturers; Pizza Inn, Inc.; and Anderson Clayton Foods, Inc.

Winners of the annual awards are selected on a national competitive basis by the Scholarship Committee, consisting of leading educators and foodservice industry executives who volunteer their services.

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WASHINGTON REPORT

Labor panel approves minimum wage hike

Despite strong industry opposition and heated committee debate, the House Education & Labor Committee signed off on H.R. 1834, voting along party lines to increase the minimum wage to $5.05 by 1992. Thanks to intensive grassroots lobbying by restaurateur constituents, committee members included in the bill a plan to increase the current 40 percent tip credit to 50 percent over the next two years.

The National Restaurant Association continues to adamantly oppose the wage hikes proposed in the bill. It is working to convince members of the U.S. House to vote against the high wage rates when H.R. 1834 reaches the House floor in mid-April, and it is lobbying to retain provisions to increase the tip credit.

Tip credit would grow

In a critical victory for the industry, the committee gave strong support to the tip credit amendment offered by U.S. Rep. Tommy Robinson (D-AR), voting 20-13 to raise the tip credit to 45 percent in 1989 and to 50 percent in 1990. The vote was the culmination of weeks of lobbying in Washington and at the grassroots level across the country by restaurateurs, state restaurant association executives and the National Restaurant Association government affairs staff.

Committee members were apparently convinced that Congress needed to address inconsistencies between tax and labor law in regard to tip income. Robinson noted that the tax treatment of tips has changed dramatically since Congress last took up the minimum wage issue in 1977. "As a result of these changes, the Internal Revenue Service treats tips as if they were wages, while tips are only partially counted as wages under the Fair Labor Standards Act (FLSA). My amendment will correct this inconsistency between the tax code and FLSA," he said.

U.S. Rep. Tommy Robinson (D-AR), member of the House Education & Labor Committee, successfully sponsored an amendment during committee markup to raise the tip credit.

Committee adds fourth-year wage increase

As approved by the Education & Labor Committee, the minimum wage would move to $3.85 on January 1, 1989; to $4.25 in 1990; to $4.65 in 1991 and to $5.05 in 1992. The fourth-year increase, sponsored by Rep. Chris Perkins (D-KY) and approved on an 18-14 vote, was added to the bill during the committee's first markup session on March 10.

Perkins's action was apparently an attempt to compensate for earlier action by the labor standards subcommittee, which eliminated the bill's indexing provisions—a clause that would have made future wage hikes automatically tied to the inflation rate. All Republicans on the committee voted against the Perkins amendment, as did Democrats Austin Murphy (PA) and Tim Penny (MN).

Observers also say the addition of the top rate was a political ploy to give minimum wage proponents a bargaining chip in future negotiations and to make the bill's original top rate—$4.65 in 1991—seem more acceptable. Most predict that the Perkins amendment will be dropped when the bill reaches the House floor.

Polygraph bill passes Senate

Following the House of Representatives' lead, the U.S. Senate passed a polygraph bill on March 3 by a 69–27 vote. Unlike the House version, which bans all private-sector polygraph use, the more moderate Senate bill (S. 1904) prohibits only preemployment lie detector testing. It allows employers to use polygraph tests when investigating specific incidents of workplace crime.

The National Restaurant Association joined other business groups in backing S. 1904, realizing that in the absence of this "incident-specific" alternative, a complete ban on polygraph use is likely. The association adamantly opposed the House bill, passed last November, which severely restricts an employer's ability to control employee theft, a serious problem in many foodservice establishments.

During the heated three-day Senate debate, many senators leveled their criticism at "15-minute quickie polygraphs" used to screen potential employees, arguing that carelessly administered polygraph tests cannot reliably predict future job performance. Employers who use lie detectors in hiring, said senators, should turn instead to more thorough interviews and to resume and reference-checking. An estimated 2 million lie detector tests are administered annually, mostly to screen job applicants.

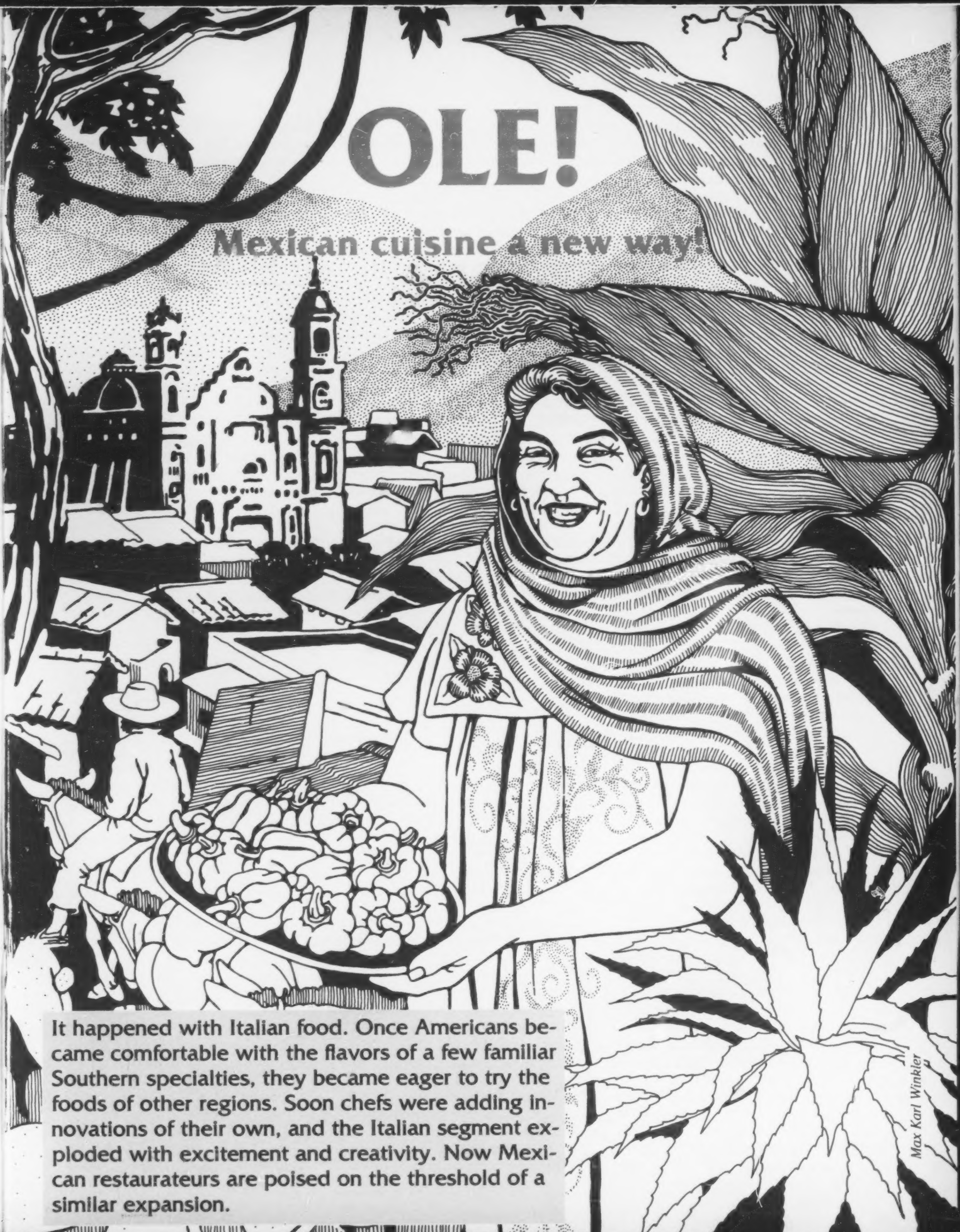
Sen. Orrin Hatch (R-UT), a leading sponsor of S. 1904, called the Senate bill "a carefully crafted compromise" that recognizes the rights of both employees and employers. Under the bill, employers who reasonably suspect that a worker was involved in a workplace crime may ask the employee to take a lie detector test. Employees who refused to take the test could not be fired or reprimanded unless the employer could produce additional supporting evidence for the disciplinary action.

S. 1904 also establishes minimum national standards for testing procedures and for the qualifications of polygraph examiners. The bill would not preempt stricter state laws.

The House and Senate bills will be referred to a conference committee, which will reconcile the differing provisions of the two bills. Association lobbyists have begun urging House and Senate conferees to support the Senate version. The word from the Justice Department is that President Reagan would veto a complete polygraph ban, but he might sign a limited ban like that proposed by the Senate. *—Denise Roach*

OLE!

Mexican cuisine a new way!



Max Karl Winkler

It happened with Italian food. Once Americans became comfortable with the flavors of a few familiar Southern specialties, they became eager to try the foods of other regions. Soon chefs were adding innovations of their own, and the Italian segment exploded with excitement and creativity. Now Mexican restaurateurs are poised on the threshold of a similar expansion.

Americans today are accustomed to Mexican foods, and they are willing to try unfamiliar Mexican dishes and even new twists to old favorites. As a result, the Mexican restaurant business is expanding to embrace the authentic flavors and ingredients of its rich cuisine, and chefs continue to create new hybrids adapted to the seasonal products of their regions. At the same time, Mexican fast food operators are seeing an interest on the part of their customers for more sophisticated menu items and are responding with more chicken and seafood as well as the increasingly popular fajitas.

The decor of Mexican restaurants is also changing. Designers are trying to evoke the colors and feeling of the Mexican landscape or are focusing on the spirit of the Mexican people. One thing that has not changed, however, is that customers still gravitate to Mexican restaurants for their perceived value and upbeat atmosphere.

Mexican food becomes more authentic

After growing up in Spain and working as an interior designer in Mexico for 25 years, Josefina Howard moved to the United States. "I tried Mexican restaurants time after time, and although the food was very good, it was not exactly as it is in Mexico. I was desperate to have authentic Mexican food," says Howard. The result is that Howard opened her own restaurants—first La Fogata in 1981 and then in 1984 Rosa Mexicano (96 seats), which means Mexican pink, in midtown Manhattan. "It is second only to Chinese," says Howard, noting the Spanish, French, Austrian, German and Italian influences on Mexican cuisine. "There are also Chinese influences from the Pacific trade and a rich U.S. influence along the long U.S. border."

Howard's attempts to bring the variety of Mexican cuisine to America met with success as customers queued up to taste such dishes as chunky guacamole prepared tableside with fresh coriander, onions, tomatoes and dried hot peppers; poblano chile mousse; and roasted jalapenos stuffed with sardines.

Although Howard is the doyenne of the upscale end of the Mexican market, others are entering the field. Two newcomers are Rick and Deann Bayless, owners of Frontera Grill (64 seats) in Chicago. No strangers to Mexico and its cuisine, the Baylesses have written a cookbook on specialties from the many regions of Mexico called *Authentic Mexican* (1987), hosted a PBS special on Mexican cooking and even taught cooking classes. A year ago, however, they put their dream to the test by opening Frontera Grill, and the response has been positive: The restaurant was an instant hit. "We do a lot of the recipes from the book here," explains Rick Bayless, the restaurant's chef. The menu includes traditional renditions of Mexican dishes, along with a number of variations by the Baylesses, who have added their own culinary touch.

Americans take time to adjust

Although the American public is very adventurous, it takes some skill and luck to introduce a new cuisine to unfamiliar diners. Rick Debler, owner of the 200-seat Villa Las Palomas in Orlando, Florida, also dreamed of bringing authentic Mexican cuisine to the United States. "My family has been in the restaurant business for 25 years, owning the San Angel Inn in Mexico City, a landmark 17th century hacienda which has thrived on the artistic heritage of Mexican cuisine," tells Debler. The Debler family was asked to come to Orlando to run the Mexican fast food concession at Epcot Center. At the same time, Debler wanted to introduce a truer experience of his country's cuisine, so he opened Villa Las Palomas in downtown Orlando. "At the Disney World operation, with astronomical volumes, we cannot reproduce the service and food we do at Villa Las Palomas," Debler explains.

The attempt has not been without its difficulties. "We have been very oriented to authenticity. We have formal service—the waiters are from Mexico City—very much in the European fashion. And the menu includes lobster from Baja, red snapper from the Gulf and pork dishes from the Yucatan Peninsula. True Mexican cuisines are very rich in spices. And there is a great variety in Mexican regional foods. It is as good as any European cuisine. The difficulty has been that in Orlando there is a relatively conservative population that is not as adventurous as people might be in New York, Los Angeles and Chicago. So we have not done as well as we would have liked."

Not ready to give up, however, Debler has added mariachi entertainment and is working with the tourism department to attract out-of-towners by tying in with conventions and business meetings. At the same time, Debler is adapting, adding some menu items a little more familiar to Americans, such as a separate menu selection of Tex-Mex specialties. "It is a discovery process. You cannot go all out on unique dishes. You have to compromise somewhere in between," notes Debler.

Overcoming customer unfamiliarity

Debler works hard at getting first-time diners to sample his unique dishes. "You have to educate your customers," explains Debler.

Josefina Howard agrees that the different flavorings in authentic Mexican foods can come as a surprise to customers. "At first I had enchiladas listed at the top of the menu," notes Howard. "I noticed that I was doing most of my business in enchiladas. People were not looking further down the menu. It was the only word they knew, so they ordered enchiladas. When they got their order, however, they would say, 'This is not what I ordered,' because the sauce was more heavily spiced than they were accustomed to." Howard decided to move the enchilada items down to the middle of her menu to encourage diners to read through some of the more unusual dishes first. "And now when someone orders an enchilada, we ask: 'Have you ever ordered an enchilada before?' Then, 'Have you ordered one at this restaurant?' If they have not, we offer to bring out some of the sauce. We let them sample it and then decide if they want to order the dish." Similarly, Howard tries to get a table of four to sample four different dishes to expand their familiarity with the cuisine.

This type of sensitivity to customers

extends to order exchanges. "If customers do not like a dish, we will take it back," says Howard. "For example, some dishes are made with a lot of coriander, which some people do not like. If the customer does not like the dish, I will take it back and get them something they do like."

Unlike Josefina Howard and Rick Debler, the Baylesses did not have to overcome an unfamiliarity with the foods they serve. "The Chicago press were all over us, and wrote a lot about the authentic Mexican foods we serve. So, when people came, they had already read about us and were expecting something different," explains Bayless.

Bayless took a middle-of-the-road approach, trying to make sure 25 to 30 percent of the items on the menu were recognizable. "I wanted to be careful to put things on the menu—like crisp fried tacos with guacamole and a drizzle of sour cream—to bridge the gap for customers. But I wanted it to be the best, highest quality they had ever had," finishes Bayless. "The tortillas are homemade, served fresh and piping hot. With the smaller, manageable size restaurant, we can pay extra attention to these details." Despite the concession to recognizable items, Bayless is happy to report that after a year, the restaurant's most well-known dishes are its rack of lamb, squab and quail.

Eighteen to 22 percent of the restaurant's business comes from small dishes. "Some of these are served on platters, and are best put in the middle of the table for everyone to share and enjoy," says Bayless.

One of the popular smaller entrees is Taco el Carbon, marinated meat, fowl and fish cooked over a hardwood fire, sliced and served in a thick bean soup.

Interpreting Mexican foods creates new hybrids

The most famous Mexican hybrid is the Tex-Mex combination, which has swept across the country in recent years, but that is not the only attempt to interpret the tastes of Mexico. At Rich Melman's newest restaurant—Hat Dance (185 seats) in Chicago, the menu blends Mexican cookery with "new approaches and twists, creating food that is full of surprises," says Dawn Reithel, director of marketing for Lettuce Entertain You Enterprises. "The restaurant appeals to the customer with sophisticated taste who delights in the unexpected." The menu includes smoked chicken, wild rice tamales, grilled fish and seafood, wood-roasted chicken, crabmeat quesadillas, a separate seviche bar and three different kinds of margaritas. There are some Japanese touches to the menu, such as sashimi at the bar and two Japanese beers.

The 156-seat Corona Bar & Grill in San Francisco, located just two blocks from Union Square, combines the traditional flavors and ingredients of Mexico with the fresh foods available in California. Operated by Bill Kimpton, who has already successfully paired moderately priced hotel rooms in downtown San Francisco with highly acclaimed restaurants (Masa's, Bentley, Kuleto), the Corona Bar & Grill thrives on its upbeat atmosphere and distinctive food.

Executive Chef Robert B. Helstrom took on the challenge of creating the Corona's menu, blending traditional Mexican flavors and ingredients with fresh, seasonal products and California's presentation style.

"In the old Mexican restaurant, everything was deep fried or greasy," says Helstrom. "Basically, I wanted to move Mexican food up a few notches. For example, for the *Tamarind Duck* (an entree) I start with the tamarind bean pod, which Mexicans use in drinks. It has a citrus flavor and is very tart. The bean is usually soaked in water to make lemonade or ice cream, but I make a glaze with it, adding rice wine vinegar and honey. I baste the duck with the glaze. After cooking, I then deglaze the pan and make a sauce out of the juice."

The menu at Corona Bar & Grill begins with a list of eight "starters" that include such creations as spicy corn pancakes with potted shrimp, and steamed artichokes with garlic-cumin mayonnaise. The menu is then divided into "Small Plates," which include such items as shrimp and crab burrito and barbecued duck que-

Mexican restaurant growth—cooling off, but still hot

The hot Mexican market cooled in 1987. Sales and traffic counts were up just 4 percent at Mexican restaurants last year, compared to annual gains in the 6 to 12 percent range in earlier years.

Nevertheless, Mexican restaurants have outpaced overall traffic growth over the long term. Traffic counts were up 48 percent from 1982 to 1987 at Mexican restaurants. By comparison, total restaurant traffic increased 14 percent in the same five years.

Mexican restaurants were responsible for more than 10 percent of total traffic growth over the last five years, causing their share of the total restaurant market to increase. From 1982 to 1987, Mexican restaurant share of total traffic rose from 2.8 percent to 3.6 percent. Despite this growth, Mexican restaurants only hold a small portion of the overall restaurant market.

In the Mexican segment, quickservice restaurants are the growth leaders. And these restaurants are broadening their appeal to families.

Quickservice showing strongest growth

Among Mexican restaurants, quickservice has registered the strongest growth. In 1987 sales and traffic were up 7 and 5 percent, respectively. By comparison, midscale and upscale Mexican restaurants recorded traffic gains of just one percent each.

Quickservice Mexican restaurants have captured an increasing share of traffic in the Mexican restaurant market—62 percent in 1987, compared to 52 percent in 1982. In contrast, over the five-year period, midscale Mexican restaurants experienced declining traffic counts and lost market share. The market share for upscale Mexican restaurants dipped slightly, from 22 to 20 percent even though customer counts increased 38.5 percent.

Reaching new markets

An expanding customer base is responsible for much of the traffic growth at quickservice and upscale Mexican restaurants. The proportion of households eating at quickservice Mexican restaurants in an average two-week period reached 5.8 percent in 1987—up more than 50 percent from 1982. For upscale Mexican restaurants, household penetration was up 25 percent to 3.9 percent in 1987.

Percent of eater occasions using promotions at Mexican restaurants

Deal-making is on the upswing at Mexican restaurants

	1982	1986	1987
Quickservice Mexican restaurants	15.5%	16.4%	17.4%
Midscale Mexican restaurants	8.6	8.3	12.9
Upscale Mexican restaurants	7.1	12.1	14.1
All quickservice restaurants	14.6	17.1	21.9
All midscale restaurants	8.1	9.9	13.7
All upscale restaurants	7.2	9.7	12.6

Source: NPD CREST, *Household Reports*, 1982, 1986, 1987

Average check and party size at Mexican restaurants: 1982-1987

There has been moderate growth in check and party size at Mexican restaurants since 1982

	Average check size		Average party size	
	1982	1987	1982	1987
Quickservice Mexican restaurants	$ 3.69	$ 4.64	1.65	1.77
Midscale Mexican restaurants	8.26	9.54	1.86	1.94
Upscale Mexican restaurants	12.29	14.34	1.90	2.02

Source: NPD CREST, *Household Reports 1982-1987*

Quickservice promotions and takeout up

Quickservice Mexican restaurants are adapting to the changing dynamics of the quickservice market. In order to penetrate new markets as well as attract repeat diners, Mexican quickservice operators have increased their promotional offerings. The proportion of occasions on which deals were used at quickservice Mexican restaurants rose from 15.5 percent in 1982 to 17.4 percent in 1987. However, this increase has not kept pace with the overall surge in promotional activity by the quickservice industry as a whole, which jumped from 15 percent in 1982 to 22 percent in 1987.

Also, quickservice Mexican operators are emphasizing their takeout services. CREST* data shows that in 1987 less than one out of two customers at quickservice Mexican restaurants dined in the establishment.

Drive-thru use at quickservice Mexican restaurants has also increased. In 1982 less than one out of five individuals ordered from their car, but by 1987 this figure had increased to 29 percent.

Another change in quickservice Mexican restaurants is that less emphasis is being placed on snacks and more on dinnertime eating. From 1982 to 1987, the percentage of din-

Mexican restaurant traffic pattern: 1982-1987

Traffic growth is slowing at all types of Mexican restaurants

	Percent change in traffic				
	1982/83	**1983/84**	**1984/85**	**1985/86**	**1986/87**
Total Mexican restaurants	10.3%	9.1%	5.7%	12.1%	3.6%
Quickservice Mexican restaurants	16.2	13.5	7.1	18.1	5.2
Midscale Mexican restaurants	−4.1	−8.0	1.5	10.5	1.0
Upscale Mexican restaurants	13.3	15.6	5.9	−1.2	1.1

Source: NPD CREST, *Household Reports, 1982, 1987*

ner occasions increased to 44 percent from 40 percent, while the percentage of snack occasions declined from 9 percent to 6 percent.

Dinner gains at midscale, upscale establishments

Midscale and upscale Mexican restaurant operators have increased their usage of promotions as well. From 1982 to 1987, the percent of occasions on which deals were used at midscale Mexican restaurants rose from 9 to 13 percent. At upscale establishments deal occasions doubled from 7 to 14 percent.

Midscale and upscale Mexican restaurants have yet to ride the takeout wave. In 1987, nine out of 10 customers at midscale and upscale Mexican restaurants dined in the establishment. Given the rapidly growing off-premises market, it seems likely that midscale and upscale Mexican restaurants will expand into takeout.

Dinner has grown more popular at midscale and upscale Mexican restaurants. From 1982 to 1987, dinner occasions at midscale and upscale Mexican restaurants rose from 56 and 62 percent to 59 and 66 percent, respectively.

Family appeal

Mexican restaurants are gaining in popularity with family groups, especially those consisting of adults with children under 12. This trend reflects the fact that many members of the baby boom generation have started families.

Mexican food: served elsewhere

Non-Mexican restaurants have added Mexican food as both entree and appetizer items to cash in on the Mexican food craze. Also, Mexican restaurants have diversified to add new items to the menu. These new items are often served as traditional meals prepared with a Mexican twist.

In 1982 Mexican food was consumed on 89 percent of eater occasions at Mexican quickservice restaurants. In 1987 it dropped to 84 percent; Mexican restaurant operators have diversified their offerings by adding non-Mexican food to the menu. Popular alternatives to Mexican food at quickservice Mexican restaurants include salad, sandwiches and hamburgers/cheeseburgers.

In 1982 salad was eaten on 3 percent of eater occasions at quickservice Mexican restaurants. By 1987 salad was ordered on 8 percent of occasions. The introduction of the taco salad was primarily responsible for this increase. Salad consumption at midscale and upscale Mexican restaurants rose from 1982 to 1987.

To a limited extent, chicken and beef items are also served at midscale and upscale Mexican restaurants, although the consumption of both at Mexican restaurants has not increased over the years.

In 1987, tacos remained the most enticing staple at quickservice Mexican restaurants, with 47 percent of eater occasions entailing tacos. Burritos were eaten on 34 percent of eater occasions. In contrast, enchiladas were the most popular item at midscale and upscale Mexican restaurants.

—Sebastian O'Kelly

**CREST is the acronym for Consumer Reports on Eating Share Trends, a diary survey of 12,800 households in the United States. It is designed to track expenditures and behavior in the commercial segment of the foodservice industry.*

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sadilla with poblano chile, avocado and jack cheeses; and entree-style "Large Plates," featuring such dishes as paella, rack of lamb mole and prawns steamed in Sol beer with mixed sweet peppers and angel hair pasta. According to chef Helstrom, the starters and small plates have done spectacularly, as the public continues its fascination with grazing or modular dining. In fact, the Corona Bar & Grill used the same menu for lunch and dinner when it opened in November 1987. It has since expanded its luncheon offerings to include a wider variety of lighter, quicker dishes—from a black bean and brie tostada to a warm pheasant salad. Desserts pick up the whimsical nature of the first courses; they range from a homemade ice cream wrapped in a lacy almond "taco" to a deep-fried tortilla cup filled with rich custard and fresh raspberries.

Helstrom combines resources from many cultures to create his dishes—both in cooking styles and ingredients. It is not uncommon to find Asian shiitake mushrooms, Italian radicchio, and French roquefort cheese in some of his interpretive dishes.

More sophisticated midscale, quickservice menus

Even in the more traditional American-Mexican restaurants, operators note that customers are becoming increasingly sophisticated in their choices, ordering more chicken and seafood dishes. "People are realizing Mexican food has a lot more to offer," says James C. Martine, president of the 450-seat Pedro's Mexican Restaurante and three Amigos Mexican Restaurante fast food units in Madison, Wisconsin (54 seats each). Martine notes the increased popularity of seafood over the last 18 months. For example, he added shrimp fajitas six months ago, to complement Pedro's crabmeat enchiladas, haddock chimichangas, shrimp and mushroom enchiladas, chicken fajitas, chicken burritos and chicken taco salads.

Even in the fast food segment, operators are seeing a willingness on the part of customers to pay a little more for good food that is a bit more unusual. "In the fast food segment we are upscaling," notes Martine, who believes this will be the trend of the future.

Of the new menu additions last year, fajitas have been the biggest seller nationwide. For example, the 2,714-unit Taco Bell Corporation, headquartered in Irvine, California, added steak fajitas, and at the 200-unit ChiChi's based in Louisville, Kentucky, Chajitas (the name fajitas go by in the chain) represented 24 percent of sales.

At Two Pesos Mexican Cafe, a chain of 12 units in Houston, fajitas are the specialty of the house. Both beef and chicken fajitas are marinated in 26 special spices, freshly grilled and served on a sizzling platter with grilled onions, guacamole, pico de gallo and handmade flour tortillas. In fact, this trend is not confined to Mexican restaurants. Last month the 900-plus Jack in the Box restaurants introduced a chicken fajita pita—a marinated chicken breast served in pita "pocket" bread with grilled onions, leaf lettuce, shredded iceberg lettuce, shredded cheddar cheese and chopped tomatoes.

Breakfast selections at Two Pesos are also popular, and they include tacos, migas—a Mexican omelet made with a blend of eggs, chorizo, onions, tomatoes, peppers and bits of corn tortilla—as well as the more traditional huevos rancheros.

Another growth area for Mexican fast food restaurant operators is desserts—from fried ice cream to deep fried dough with cinnamon, sugar and honey—and the sale of margaritas and beer.

Fast food operators are also classing up their decor and service. Outdoor and indoor patios are increasingly popular, and many operations are open 24 hours each day. Several have even added drive-thru service.

In sum

Mexican restaurants are becoming more diversified as upscale establishments strive for greater authenticity and fast food restaurants experiment with higher quality ingredients and more unusual offerings. ☐

—*Kathy Boyle*

Mexican restaurant decor

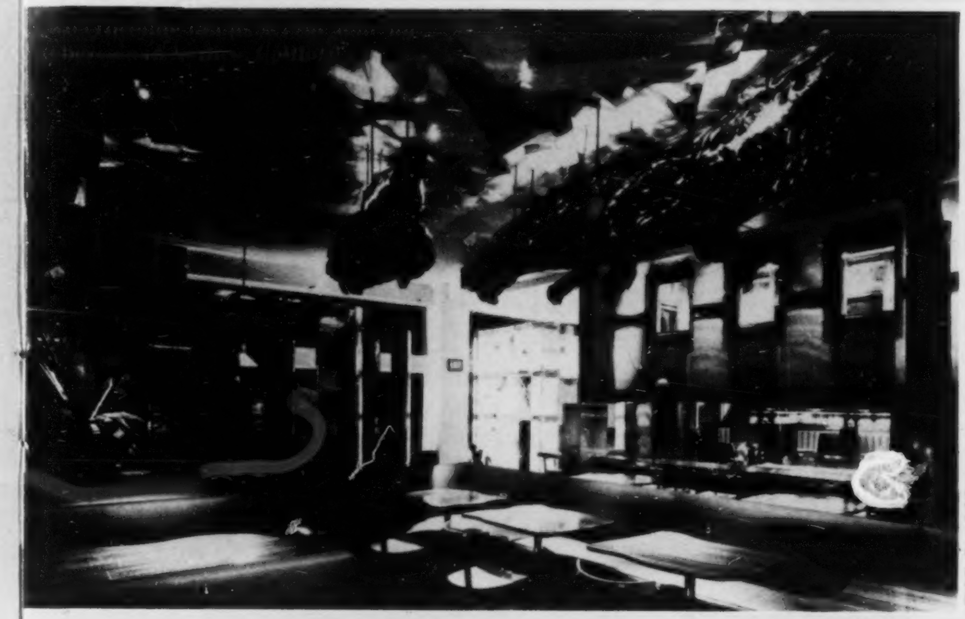
from exaggerated to subdued

As the move toward authentic tastes and flavors increases in Mexican establishments, so does the desire to capture the full range of Mexican culture in design. Some restaurateurs are highlighting the country's folkloric whimsy while others focus on its landscape colors.

It's strictly decor as spectacle at two of the most exaggeratedly conceived Mexican restaurants in the United States—Rebecca's in Venice, California, and the Mexican theme restaurant Cadillac Bar, located in New York, Houston and Dallas.

Architect Frank Gehry set the tone for the 160-seat Rebecca's with its two crocodile lamps; an octopus-shaped chandelier with 30,000 red, orange and white glass beads; blue granite table tops, aquamarine booths, cobalt blue tiles, black-lighting coming from behind orange and green stone panels and a not-to-be-missed 40-foot mural by artist Peter Alexander. Complementing the visual extravagance is contemporary Latin music and an exhibition kitchen, serving authentic Mexican cuisine with prime cuts of beef and homemade corn tortillas.

The idea behind the 1,500-seat Cadillac Bar is to "create a controlled circus," says Rex Perry, general manager of the Dallas restaurant. "You know something is going to happen, but you are not exactly sure what it is."


©Michael Moran

White-washed walls set the stage for fun at Cadillic Bar. Customers are handed magic markers on arrival to create their own artwork on walls. "The interior is multicolored graffiti," explains Perry. "And, when we know celebrities are coming, we white-wash a little section for them to decorate and sign."

Although most days the music is a pretaped mixture with Mexican selections as part of the blend, three times a week—Wednesday, Thursday and during Sunday brunch—the restaurant hires a minstrel trio. Adding to the entertainment are "shooter girls" dressed all in black with bullet bandoliers filled with shot glasses rather than bullets. They serve "slammers"—a shot glass with tequila, topped with 7-Up, which they slam down on the table with a dramatic scream or holler for emphasis. Another drink—the Mexican flag—a tricolor drink (green, red and white like the Mexican flag)—is served flaming by a brigade of waiters for birthdays and other special occasions.

Last year for the holiday Cinco de Mayo (fifth of May), the Dallas Cadillac Bar featured a Chili Con Queso Wrestle-off. Body-building women wrestled in a vat of chile on behalf of muscular dystrophy. The celebration also included a fajita cookout, a beauty contest, a live radio broadcast from the restaurant and donations from restaurant purveyors of T-shirts and balloons.

It's not all show, Perry is quick to add. "The excellent food and the excellent drinks are why people come to us." Perry cites the high-quality cuts of meat the restaurant uses in its fajitas and the 50 cases of fresh limes it buys each week to hand-squeeze for its margaritas.

Much less exaggerated is the decor at the fast food chain Two Pesos. "Witty and raffish" is how *The Houston Post* described the restaurant's decor, which it said plays a major role in the restaurant's success. The color scheme is tropical turquoise and hot pink (including walls and neon). Turquoise and red vinyl chairs surround enamel-topped tables emblazoned with logos for Tecate or Carta Blanca beer. Mexican-inspired art and pottery add evocative touches, and the patio, set off by a garage-door glass partition to the restaurant's second of two dining rooms, is the irresistible final touch.

At the other end of the spectrum are softer settings, playing off the landscape and natural features of the Mexican countryside. At the Corona Bar & Grill in San Francisco, the decor is based on warm, coastal, sunset imagery. The colors are raspberry, teal and sunset pink, and the walls are decorated with Mexican masks (30 to 100 years old), artifacts and weavings, and lighting sconces shaped like the setting sun.

"I wanted the Corona Bar & Grill to evoke that magical, rosy-peach glow of the Mexican sunset over the Pacific," explains designer Pat Kuleto, also known for designing the Fog City Diner. "It's an almost surrealistic moment before the sun sinks into the ocean . . . a glow that spreads to people and makes them feel warm, comfortable and ready to have fun."

Rosy hues also set the tone for Manhattan's Rosa Mexicana, which appropriately translates into "Mexican pink." The decor is restrained. White stucco walls are accented by the pastel lighting and by pink, mauve and terracotta ceramic tiles, folklore pottery and a changing floral display.

The setting at Frontera Grill in Chicago is starker. The decor is opposite of what customers would expect, says co-owner Rick Bayless—understated. The restaurant is housed in a building built in 1893. The floors are made of original, old-fashioned, painstakingly installed white diagonal tiles, reminiscent of eateries in Mexico City. The tables are oak-topped, the napkins are linen and the walls are painted in the distinctive colors of Southern Mexico—a cream gold on top of the wainscoting and a rust below. "The decor has a strong feel of Mexico," says Bayless, which is highlighted by the folk art he and his wife collected on their travels through the country. ☐

Aumiller Youngquist, P.C.

Enriching ethnic edibles

Pasta, olive oil, tortillas, seaweed and bean curd. These ethnic staples get high marks from the nutrition-conscious. But foreign specialties, such as tempura, refried beans, brie cheese and spaghetti alla carbonara, get low marks because of their high-fat content. Here are a few ways you can feature six popular ethnic cuisines to make the most of their nutrition pluses.

Mexican food

Overall, the Mexican diet would benefit from less lard, fewer sweet snacks and carbonated beverages and an increase in dairy products, enriched flour, vegetables and fruit.

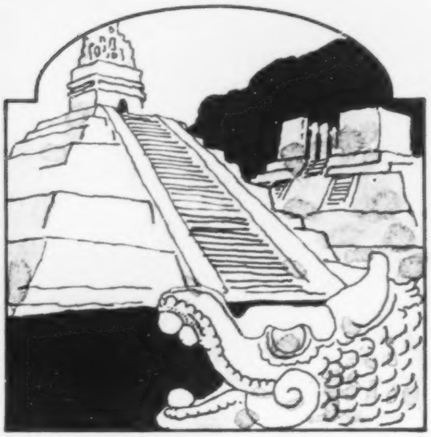
Traditional staples of the Mexican diet include corn, beans, chili peppers and tomatoes, which have nutritional merit. Beans, eaten with rice or corn tortillas, make a significant protein contribution.

Other healthful protein selections easy to feature on a restaurant menu include seviche (fish marinated in lime juice), marinated or well-seasoned meats and chicken dishes (cooked without skin) served with nonfried or soft tortillas.

Dairy products are conspicuously absent from the Mexican diet except for cheese dishes like flan, desserts like ice cream and toppings like sour cream or yogurt. As a result, calcium is often inadequate in a Mexican diet and should be supplemented.

Mexicans tend to limit their vegetable selection to chilis, corn, tomatoes and potatoes, which supply vitamins A and C, but few of the B vitamins contributed by green vegetables. These can be added to the menu. Lettuce and salsa are excellent low-fat garnishes.

Few fruits are eaten by Mexicans, but they have a sweet tooth for pan dulce (sweet cake), cookies, sweet rolls and sweetened beverages. Lard, a contributor of saturated fat, is used extensively in cooking, especially in refried beans and to fry tortillas. These habits can be changed in a restaurant kitchen.



Finally, rice cooked without oil is an ideal low-fat, complex-carbohydrate accompaniment to most Mexican entrees.

Chinese food

It is often said that Chinese food leaves people hungry an hour or two after the meal. This complaint is partly legitimate due to the low-fat content of Chinese food. The Chinese diet derives about 20 percent of its calories from fat, compared with almost 40 percent in the U.S. diet. Grains, rice and wheat are dietary staples, and such popular cooking methods as stir-fry and fire pots require little or no fat. Alcohol is rarely served with a Chinese meal, and desserts, limited to pastries, are reserved for special occasions.

Despite its virtues, the diet falls short in a few areas. Lack of dairy products and limited meat intake result in low levels of calcium and iron. The Chinese reliance on sauces and pickled and fermented foods significantly drives up their sodium intake to dangerous levels. The sodium content can be controlled by eliminating MSG and restricting sauce use.

When preparing Chinese dishes, be authentic; follow the culinary tradition of limiting the basic sauces (oyster, hoisin, soy, black bean) to a tablespoon. A variety of spices and seasonings indigenous to Chinese cooking will compensate for any loss of flavor. Feature chicken, fish, tofu and vegetable dishes steamed, stir-fried or cooked in fire pots. Steamed rice is preferred over the fried variety.

Japanese food

Although heavily influenced by its neighbors, traditional Japanese cuisine differs in many aspects from the Chinese culinary repertoire. Japanese cooks tend to focus on individual ingredients, downplaying blends of spices, herbs and flavors. In the same vein, their cooking methods are quick and precise.

Dietary staples in Japan include low-fat foods, such as fish, vegetables, soy products, noodles, rice and light desserts (fruit-juice jellies and iced red bean curd). Japan's extremely low incidence of heart disease is attributed to these foods as well as to the limited use of animal fats. Conversely, stroke, high blood pressure and stomach cancer are major health problems for the Japanese and have been linked to their heavy consumption of salty (soy sauce, pickled vegetables) and smoked foods. Milk and dairy products are not an important part of the Japanese diet, but the calcium intake is adequate due to consumption of softened fish bones and dark-green leafy vegetables. It has been said that without the smoked and salty foods the traditional Japanese diet is probably the healthiest in the world.

It is difficult to go wrong when serving healthful Japanese foods. Steamed fish, clear soups, sukiyaki, fresh vegetables, tofu (nonfried) are all nutrition winners. Sushi also falls into this category; but to avoid parasitic infection, care should be taken to use fish that has been blast-frozen for at least 15 hours. Avoid tempura (introduced to Japan by the Portuguese), which is fried in oil and uncharacteristically high in fat. Limit salty foods, such as miso, soy sauce and pickled vegetables.

Italian food

The line that distinguishes the culinary differences of North and South Italy also serves as a demarcation for their nutritional differences. Northern Italian cooking is characterized by the nickname for the geographic location—Emilia la grassa or the fat region. Northerners favor cream sauces, butter as their primary cooking fat, eggs in their pasta and large amounts of beef, veal and chicken. Italians from the Southern region, on the other hand, use twice as much fish and less beef, veal and chicken. Southerners also consume more high-carbohydrate, low-fat foods in the form of pasta (made without eggs), bread, fruits and vegetables. Tomato-based pasta sauces are preferred over the cream variety, and olive oil, a source of monounsaturated fat, is

both the primary cooking fat and the favored spread for bread.

Although Italians have lower rates of heart disease than do Americans, the difference between Northern and Southern Italians is significant. The lower rate among Southerners is attributed not only to their lower-fat diet, but also to their increased consumption of olive oil, a monosaturated fat that seems to be especially effective in reducing dangerously high blood cholesterol levels.

Restaurateurs interested in offering healthful Italian cuisine would be wise to follow the food habits of Southern Italians. But, it's important to go easy on olive oil. Despite its cholesterol-controlling virtues, olive oil has the same caloric value as other cooking fats and oils—about 120 calories per tablespoon.

Greek food

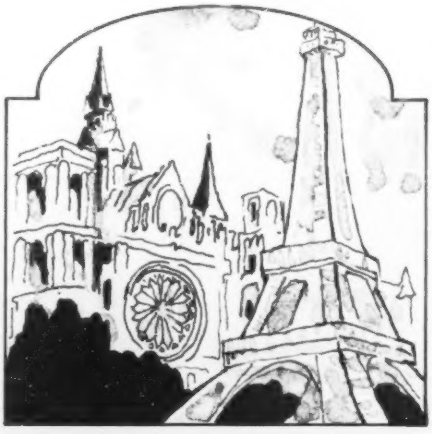
Like their southern Italian neighbors, Greeks rely heavily on olive oil in cooking, which, when combined with their limited intake of lamb and chicken, contributes to a low incidence of heart disease. Other Greek dietary staples include bread, olives, legumes, nuts and fruits. Fish, such as squid, cod, cuttlefish, mussels and octopus, is well represented in the Greek diet. Yogurt and feta cheese are used extensively. Although Greeks favor fresh fruit, they also have an affinity for very sweet desserts, such as honey-glazed pastries and fried, sweet fritters.

Overall, the Greek diet is well rounded, yet foodservice operators should be aware of some of the downfalls of Greek cuisine. Phyllo crusts—layers of buttered, paper-thin sheets of pastry, are high in fat and calories. Although feta cheese is slightly lower in calories than other cheeses (75 calories per ounce vs. 100-120 calories), 72 percent of the calories are from fat that is mainly saturated. Like most cheeses, feta is high in sodium, with 316 mg. per ounce. Good choices for a health-conscious Greek menu include lentil or fish soup, stuffed grape leaves (meatless), cucumber salad, souvlaki

or psari souvlaki (skewered fish and vegetables), chicken with yogurt (use low fat), stewed or baked fish dishes and fresh fruit for dessert.

French food

To the French, food is an important part of their lifestyle. Meal periods tend to be relaxed and enjoyable, and food preparation symbolic of love and accomplishment. The French have a well-rounded diet, incorporating a variety of foods. Despite their love for high-fat cheese, pates, sausages and rich sauces and desserts, their death rate from heart disease is



VEAL SCALLOPS WITH PROSCIUTTO AND MOZZARELLA

When a normally skinny veal scallop is dipped in egg, bread crumbs and flour and bathed in fat, its calorie index jumps about 150 points higher. Here is an attempt to capture the flavor of breaded, sauteed veal without the excess calories.

Ingredients:
2 lbs. veal scallops, pounded thin
Lemon juice
½ tspn. salt
Freshly ground pepper to taste
8 paper-thin slices prosciutto
4 ozs. part-skim mozzarella cheese, grated or torn
1 egg white
1 Tbs. milk
½ cup plus 2 Tbs. dried bread crumbs
1 Tbs. vegetable oil
1 Tbs. butter
¼ cup beef or chicken broth
2 Tbs. Madeira or dry sherry
8 very thin lemon slices

Method:
1. Sprinkle meat with lemon juice and season lightly with salt and pepper. Lay a piece of prosciutto on each veal scallop and divide the cheese to cover each piece. Roll scallop like a jellyroll.
2. Beat together egg white and milk. Pour into saucer.
3. Spread bread crumbs on a sheet of wax paper. Roll veal first in the milk, then in the bread crumbs. Chill for 20 minutes if possible to set crumbs.
4. Heat oil and butter in a 10-inch or 12-inch skillet until bubbly. Add veal scallops, saute over medium-high heat a few at a time so they don't touch, until nicely browned, about 3-4 minutes. Return all meat to skillet, turn heat to medium low, cover, and cook the rolls another 5-7 minutes, turning often. You may need to add a bit of oil or cooking spray. Remove veal to a heated serving platter.
5. Add broth to skillet, boil until it's reduced to 2 tablespoons, add Madeira and reduce liquid to a syrupy glaze. Pour it over veal and garnish with lemon slices.

Nutrition information:
Yield: 8 servings
Calories per serving: 275
Protein per serving: 30 g
Fat per serving: 14 g
Carbohydrates per serving: 3 g
Sodium per serving: 333 mg

SEVICHE

Seviche is the Latin America cousin of Japan's sushi. Unlike sushi, which is strictly raw, seviche is prepared by marinating the fish several hours in lemon juice. This firms the flesh, turning it opaque—in essence, cooking it. As in sushi, the freshness of the fish is imperative. However, once it's marinated, seviche will keep for two to three days. Seviche makes a nice luncheon dish or first course as well as an appetizer. To give it a bit more body, add a boiled, cubed sweet potato.

Ingredients:
1½ lbs. scallops or delicate white-fleshed fish, such as sole, cut into bite-size pieces
1 cup lemon juice
1 Tbs. finely chopped Bermuda or Spanish onion
¼ green pepper, finely chopped
½ red pepper, finely chopped
½ blanched, skinned and seeded tomato, cubed
⅓ cup lime juice (about 2 limes)
2 Tbs. orange juice, freshly squeezed preferred
3 Tbs. lemon juice
Freshly ground pepper to taste
Minced fresh parsley
Lettuce

Method:
1. Marinate the seafood in the lemon juice in a nonmetallic container overnight.
2. Drain seafood, discarding marinade. Rinse with water.
3. Combine onion, green pepper, red pepper, tomato, citrus juices and fish. If desired, add the remaining halves of tomato and green pepper, also chopped. Season with pepper to taste. Garnish with a bit of parsley.
4. To serve, line individual plates or a platter with lettuce, mound mixture on top.

Nutrition information:
Yield: 10 appetizer servings
Calories: 94
Protein: 16 g
Fat: 1 g
Carbohydrates: 5 g
Sodium: 190 mg

Yield: 6 first-course servings
Calories: 157
Protein: 27 g
Fat: 2 g
Carbohydrates: 8 g
Sodium: 310 mg

JAPANESE DRESSING FOR SNOW PEAS OR BROCCOLI

An alternative to a mayonnaise dressing.

Ingredients:
4 ozs. tofu
5 Tbs. double-strength homemade chicken stock or canned consomme
1 Tbs. sesame oil
1 Tbs. walnut oil
2 Tbs. rice wine vinegar, available at Oriental or specialty food stores
1 tspn. soy sauce
1 quarter-size piece of fresh ginger, peeled and minced

Method:
Combine all the ingredients in a food processor or blender and blend. Chill.

Nutrition information:
Yield: 1 cup
Calories per tablespoon: 21
Protein per tablespoon: trace
Fat per teaspoon: 2 g
Carbohydrates per tablespoon: trace
Sodium per tablespoon: 12 mg

only a third of that in the United States. Luckily, the French acknowledge a variety of cooking methods and utilize many vegetables, fruits, spices and seasonings in their culinary techniques. Thus, although healthier French menu selections may not be considered "classics," they can be authentic. Poached fish with a vegetable coulis, bouillabaisse Marseillaise, braised chicken or grilled duck with the skin and fat removed prior to cooking are suitable entrees. Salads with vinaigrette dressing (served on the side), consomme, fresh tomato sherbet or aromatic vegetables would be good healthful appetizers. Plain French bread is a better offering than brioche made with eggs and butter, and sorbet or fresh sliced strawberries served in a baked meringue shell appeal to the health-conscious over mousses, pastries or rich cakes.

—Claire Regan, R.D.

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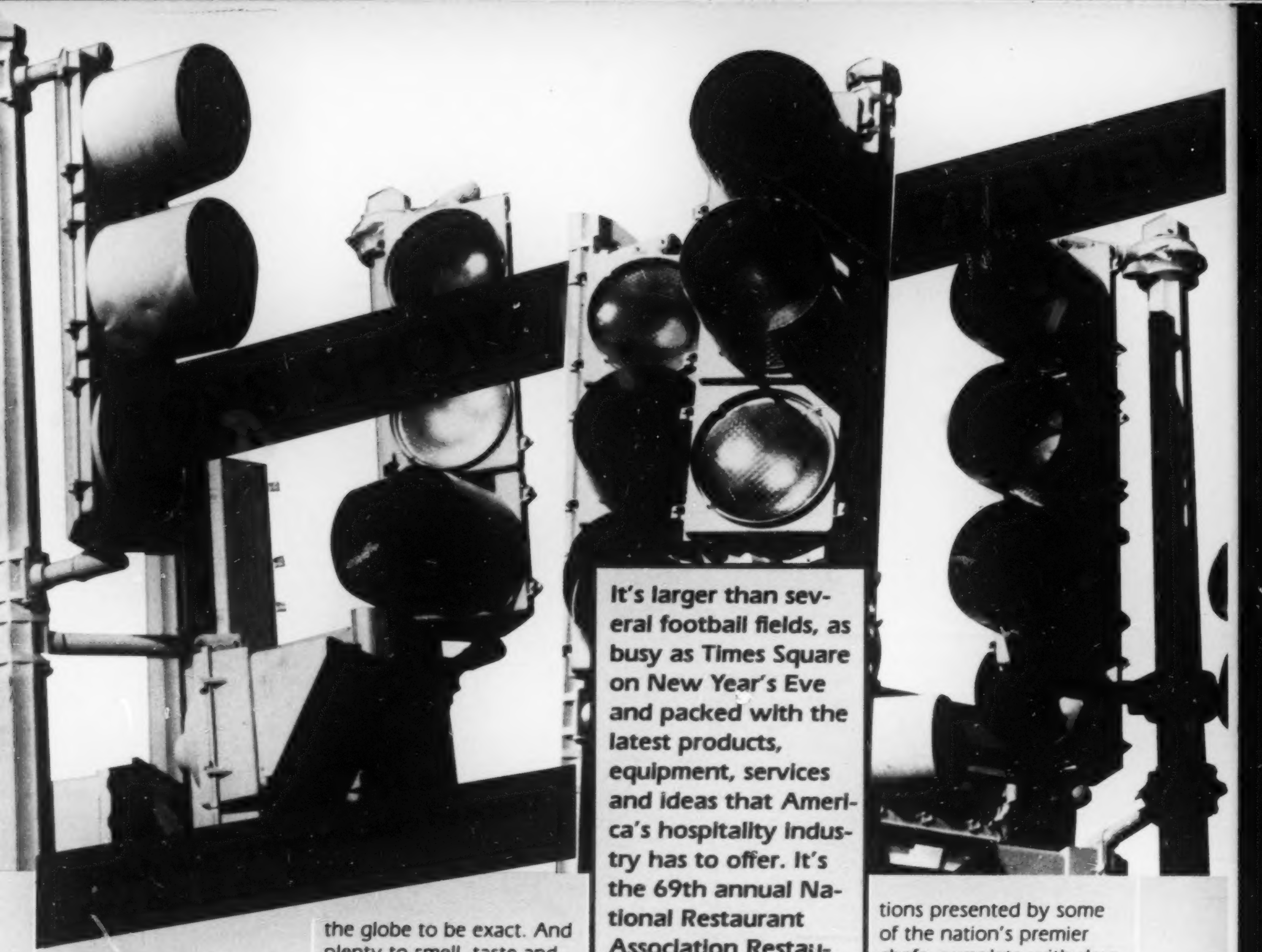


It's larger than several football fields, as busy as Times Square on New Year's Eve and packed with the latest products, equipment, services and ideas that America's hospitality industry has to offer. It's the 69th annual National Restaurant Association Restaurant, Hotel-Motel Show at Chicago's McCormick Place, May 21-25, 1988.

Whether you are new to the industry or a veteran attendee of many shows, you won't want to miss the incomparable National Restaurant Association Show. Because many new ideas and products find their way into the industry from the Show's floor, often changing the course of a segment or daypart, be sure to join the 100,000 attendees from 50 states and 70 countries to find out which way the industry is headed. There will be plenty to see at McCormick Place East and McCormick Place North, its new $300 million sister exhibition hall—some 1,900 fabulous exhibits from the United States and around the globe to be exact. And plenty to smell, taste and touch.

Not all that is new will need to be discovered on the Show floor, however. At theaters and management clinics, industry experts will discuss emerging trends and the latest management and marketing techniques for climbing to the top and staying there. Former football star Fran Tarkenton and Dr. Arthur Laffer, eminent economist and member of President Reagan's Economic Policy Advisory Board, are just two of the big names heading this year's Signature Series. And completing the educational lineup is a selection of 18 popular seminars conducted by the Educational Foundation of the National Restaurant Association on various aspects of effective restaurant operation.

Some of the Show's special features will showcase culinary talents and skills. For the first time this year, the National Restaurant Association Restaurant, Hotel-Motel Show will feature an Ice Carving Classic, testing the creativity, coordination and strength of world-class carvers from the United States and other countries in an intense four-day competition. And the Chefs' Stage will include three days of exciting and informative culinary demonstrations presented by some of the nation's premier chefs, complete with demonstration kitchen in an up-close setting. Sure to attract a standing-room-only crowd will be the talk by Madame Jehan Sadat, global political activist and widow of assassinated Egyptian President Anwar Sadat.

Tried-and-true favorites for Show attendees include such day-time events as the opening day ceremony, featuring remarks by National Restaurant Association President and Chairman of the Board Michael J. Grisanti and NBC Nightly News Anchor Tom Brokaw; the annual Hennessy Awards Luncheon, now in its 32nd year, featuring Assistant Secretary of the U.S. Air Force Tidal McCoy; and the Main Course, the annual 10-K race along Chicago's spectacular lakefront.

Come sundown, there's a welcome respite from the bustling floor activity. On Sunday and Monday evenings, attendees can unwind by visiting Convention Capers, a program of music and dancing featuring celebrated singers and musical groups. On Saturday evening, the annual Grand Banquet and Show/Congressional Leadership Forum (CLF) Gala gives everyone an opportunity to honor the association's incoming president and rub elbows with some of the national legislators touring the Show as part of the National Restaurant Association congressional legislative program.

It's all happening at the 69th National Restaurant Association Restaurant, Hotel-Motel Show at McCormick Place, May 21-25, 1988.

Crystal clear works of art

Come delight your senses. Witness the difficulty of the centuries-old ice carving craft. See styles that distinguish the various countries, and, most importantly, get ideas for your own garde manger operations. Be sure to stop by the first-ever National Restaurant Association Ice Carving Classic on the lower level of McCormick Place North, Saturday, May 21, ~~through~~ Tuesday, May 24. Watch eight three-person teams from the United States, Canada and other corners of the globe (possibly even Japan, the home of many recognized ice carving masters) transform five-foot blocks of ice, weighing 425 pounds each , into crystal clear sculptures. Working in 8 foot by 12 foot tanks, these master artists use chain saws and chisels to shape the ice to their will.

There's a hidden picture in every block of ice, and skilled chefs know how to find it. Don't miss the Ice Carving Classic to see artistry in ice.

A team of renowned ice carvers, functioning as judges, will evaluate the three phases of the competition: compulsory figures, requiring each member of the three-person team to execute a designated figure from one block of ice in one hour, freestyle individual blocks, requiring each person to fashion his own creation from one block in two hours and team multiple blocks—a freestyle team effort utilizing five blocks to be completed in three hours. Awards will be given to a

Grisanti, Brokaw to open Show

Wondering what the legislative outlook is for foodservice? If so, you will want to stop by the Arie Crown Theater of McCormick Place on Sunday, May 22, at 2 p.m. to catch the opening day ceremony and presentation by National Restaurant Association President and Chairman of the Board Michael J. Grisanti. Grisanti, chief operating officer of Grisanti, Inc., Louisville, Kentucky, concludes his term at the association's helm with a summation of the major industry issues of 1988 and the challenges facing foodservice in the future.

This is also an opportunity to hear NBC Nightly News Anchor Tom Brokaw in person. The first American anchorman to interview Mikhail Gorbachev live on network television, Brokaw has been on the scene for more than 25 years, checking the pulse of our times from stations in Omaha, Atlanta, Los Angeles and New York. Brokaw covered the political intrigues of the 1970s—Watergate, the resignation of Vice President Agnew and the unsuccessful attempt of President Nixon to remain in office. In the 80s he served as the nation's eyes and ears at the funeral of assassinated Egyptian President Sadat, from the frontline of the Lebanese war, during the Pope's return to Poland and even at Prince Charles's wedding. Don't miss the opportunity to hear this outstanding broadcast journalist's insights into the events shaping today's world.

The Show will be the last official function of outgoing Chairman of the Board Michael Grisanti, shown here with wife Paula.

Tom Brokaw

Adding still more variety to the opening day program is the Grammy Award winning sound of trumpeter Danny Davis and The Nashville Brass. In the forefront of combining country music and symphonic classics, the group has gained popularity from Las Vegas to the White House, where it played for the inaugurations of Presidents Nixon and Reagan. In addition to the coveted Grammy Award, Danny Davis and The Nashville Brass has won the Country Music Association's Best Instrumental Group of the Year award for six consecutive years. Get to the program early to hear them play.

grand champion, a freestyle individual champion and a champion freestyle team. Winners will be announced at the Salute to Excellence Dinner at the Chicago Hilton and Towers on Tuesday evening, May 24.

In addition to experiencing the sheer beauty of the spectacle, a series of educational programs conducted by master ice carvers will give attendees an opportunity to learn more about this exotic craft. Experts like Jim Nadeau of Nadeau Ice Sculpture in Willowbrook, Illinois; Dean Jaramillo from the Ice Sculpture School of Chicago; Maurie Pearson, executive chef of the Hyatt Regency Woodfield in Schaumburg, Illinois; and Ted Wakar, executive sous chef of the Ford Motor Company, Dearborn, Michigan; explore such topics as competitive ice carving, multiblock carving, judging certification and ice sculpture marketing. Attendees will also have an opportunity to learn more about the Chicago-based National Ice Carving Association (NICA), which is cosponsoring the classic. During the Show, NICA will announce its local chapter formation and a championship ice carving series, a string of competitions to be held across the country.

Culinary Arts Salon: Cornucopia of Ideas

Skeptics who doubt that food presentation is an art or that chefs are artists need only spend a few hours walking around the 18th Annual Culinary Arts Salon at McCormick Place, Saturday through Tuesday, May 21-24, 1988. Platters of pates as intricately inlaid as mosaics, fairytale marzipan characters, food sculptures reminiscent of antiquities and hundreds of unique presentation ideas will dazzle chefs and operators who come to examine—and incorporate—these techniques into their foodservice operations.

Set in McCormick Place's Chicago Room with its spectacular view of Lake Michigan, the Culinary Arts Salon is one of the most popular features of the annual National Restaurant Association Show and possibly the largest and most impressive culinary display in the United States. Now expanded to two additional days, this year's salon promises to be even more inspiring than usual.

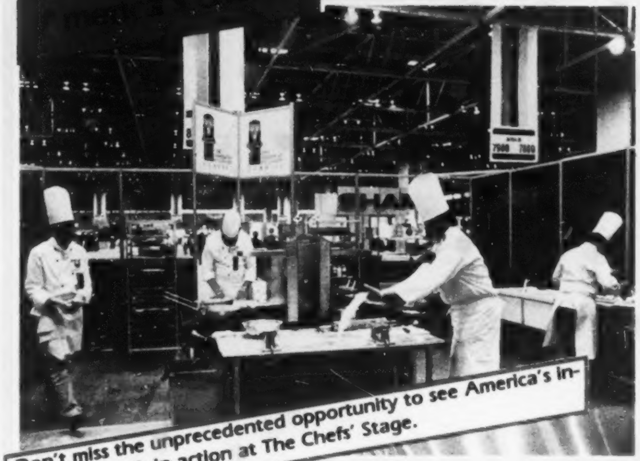
Attendees will want to catch the entire Culinary Arts Salon, which will be presented in two segments. One segment previews Saturday and Sunday, May 21 and 22, and another salon with hundreds of additional creations is showcased on Monday and Tuesday.

See if your favorites match those of the judges who award gold, silver and bronze medals to winners in the following categories: Grand Prize of the Entire Show, Grand Prize—Pastry Display, Best of the Show, Most Origi-

(cont'd on p. 22)

Restaurateurs come to the Culinary Arts Salon looking for ideas and techniques they can incorporate into their operations.

Curtain rises on America's Chefs



Don't miss the unprecedented opportunity to see America's innovative chefs in action at The Chefs' Stage.

Look out Paris, London and Frankfurt. Here come New York, Los Angeles, Chicago and Dallas. Once confined to duplicating the creations of their European counterparts, American chefs are now in the limelight of the world's culinary stage, creating innovative dishes and unique preparation methods with fresh American-grown foods.

The Chefs' Stage, an all-new program at the National Restaurant Association Show, will give attendees an opportunity to see what the commotion is all about. Don't miss this unprecedented opportunity to learn from the nation's trend-setting chefs who are setting the tone for American cuisine. This exciting three-day program, which debuts on the upper floor of McCormick Place North, showcases a series of 1½-hour presentations by eminent chefs. You'll see innovative techniques, unique presentations and the creation of signature dishes. Come visit with the masters. Learn the food combinations that work for them and watch the talent and skill that earned these chefs a spot in the culinary limelight. A working demonstration kitchen and up-close seating guarantees each viewer the best seat in the house.

(cont'd from p. 21)

nal Piece of the Show, Judges' Special Award, and Best Entry from a Junior Culinarian. Winners of the first segment will be announced at an awards ceremony on Saturday, May 21, and those of the second segment will be named at a similar event on Monday, May 23. In addition, winners will be honored at the Salute to Excellence Reception and Dinner at the Chicago Hilton and Towers on Tuesday evening, May 24. Be sure not to miss this once-a-year opportunity to see the state-of-the-art in cold-food presentation across the country.

The annual National Restaurant Association Culinary Arts Salon is recognized and endorsed by the American Culinary Federation and the Chefs of Cuisine Association of Chicago.

The winning single-unit and multiple-unit Air Force bases in the Hennessy Award competition each receive a traveling trophy, a 34-inch sterling silver bowl.

Tidal W. McCoy, assistant secretary of the Air Force for readiness and support, and many of the Air Force's top brass will turn out for the Hennessy Awards Luncheon at the 69th annual association Show. The luncheon, to be held at the Hyatt Regency Chicago, Saturday, May 21, at 11:30 a.m., honors Air Force bases for excellence in the management, preparation and service of food to military personnel.

McCoy, a West Point graduate with numerous military decorations, will be the keynote speaker. He is responsible for Air Force policies affecting readiness, sustainability and support.

The Hennessy Awards Program, now in its 32nd year, takes its name from John (Lawrence) Hennessy, who was recognized for his advancement of military foodservice. The competition is divided into two main categories, single-unit and multiple-unit with special award categories for the Air Force Reserves and the Air National Guard. Bases are evaluated by a traveling panel of foodservice and military executives. The winning single-unit and multiple-unit base each receive a traveling trophy, a 34-inch sterling silver bowl, and other winners are honored with plaques.

Tickets for the Hennessy Awards Luncheon are $40 and can be obtained from Ruth Tracy, National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC 20036-3097; (202) 331-5900.

Madame Sadat comes to Show...

Madame Jehan Sadat, world political activist and widow of the late Egyptian President Anwar Sadat, has captured the hearts of people all around the world. And on Monday, May 23, at 10:30 a.m., she will offer a special presentation in Theater Two of McCormick Place.

Madame Sadat worked closely with her husband to further the cause of peace in the world. She represented the Arab-African nations at the International Women's Conference and addressed the United Nations in her role as messenger of peace. An advocate of social reform,

Madame Jehan Sadat

she toiled to better the lot of women and the disabled in her country. In 1976, Madame Sadat was responsible for the passage of a new Civil Rights Law in Egypt, giving more rights to women and more security to the family. One of the first to visit the Suez front in 1967, she later helped establish fully integrated cities for handicapped war veterans and civilians.

Married at an early age, she resumed her academic studies later in life, successfully winning both bachelor and masters of arts degrees from Cairo University and finally fulfilling a lifelong ambition to become a teacher. The recipient of honorary doctorate degrees from many American universities, Madame Sadat is currently a visiting professor at American University in Washington, DC, and at the University of South Carolina.

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Hear the din of the crowd, smell the waters of Lake Michigan and match muscle and mettle against 3,500 other runners in The Main Course, a 10-K race against the Chicago wind.

Show attendees, exhibitors and Chicagoans are all invited to partake in The Main Course, which kicks off at 8:00 a.m. on Sunday, May 22. Runners will sprint along the spectacular shores of Lake Michigan, around McCormick Place and McCormick Place North, through the Prairie Avenue historic district and down Michigan Avenue to finish at Arvey Field.

So what if you're not fresh from the Calgary Olympics? In The Main Course there's a level of competition for everyone: male and female age-group categories for individual contestants; teams with a minimum of five runners—each team to include at least one female and one master runner (over 40 years of age); an open class for all Chicago-area runners; a Show exhibitor/attendee class and a corporate class.

Awards go to the first-place male and female and to the top three men and women in individual categories. Plaques go to first, second and third-place teams in the team competition classes. All runners who cross the finish line are eligible for the "You-Don't-Have-to-Win-to-Win" array of prizes—random drawings that include round-trip airfare for two to anywhere in the United States, plus dinners and weekend packages at top Chicago restaurants and hotels.

THE MAIN COURSE 10K RACE
SPONSORED BY THE NATIONAL RESTAURANT ASSOCIATION

Match muscle and mettle against 3,500 other runners in The Main Course.

Race participants also receive colorful T-shirts and running gear contributed by the race's main sponsors: Coca-Cola USA; Miller Brewing Co.; Pepsi-Cola Co., Inc.; *Restaurant Business;* Dole Package Foods; Sunkist Soft drinks; and Tysons Foods, Inc.

The fee to participate in The Main Course is $8.95.

For race applications, contact Marge Whalen, National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601; (312) 853-2525.

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Operators with a yen for a good time and an ear for good music won't want to miss the soul-searching sounds of Larry Gatlin and The Gatlin Brothers at the National Restaurant Association Grand Banquet and Show/Congressional Leadership Forum (CLF) Gala in the Grand Ballroom of the Hyatt Regency Chicago, Saturday, May 21, at 6:30 p.m.

One of the most successful country-music stage and recording acts since the mid-70s, the Texas-born Gatlin Brothers have gained fans all over the world with hits like *Broken Lady, Houston, Midnight Choir* and *All the Gold in*

Larry Gatlin and The Gatlin Brothers

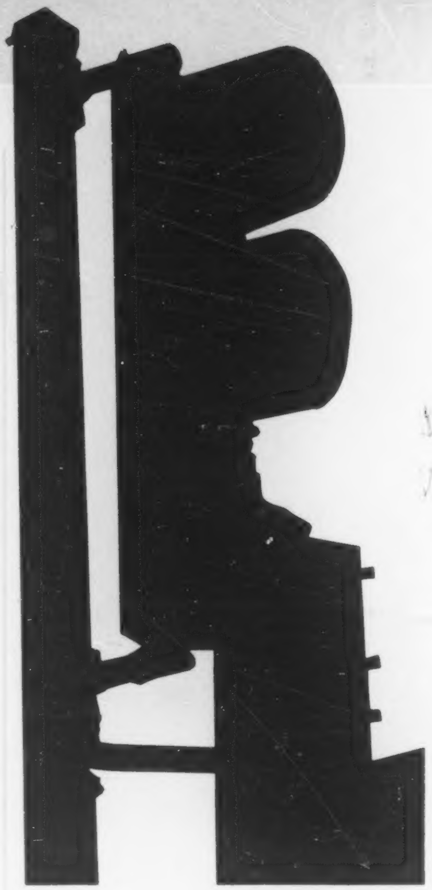
California. Superior lyrics and music have consistently driven their songs up the recording charts, winning numerous awards, including the Academy of Country Music's Top Male Vocalist, Best Single and Best Album in 1980.

Sharing the spotlight with Larry Gatlin and The Gatlin Brothers is comedian Pete Barbutti, veteran guest of the Steve Allen Show, the Gary Moore Show, the Tonight Show and Arthur Godfrey's radio program. An accomplished musician, who began his show business ~~career~~ by taking accordian lessons, Barbutti went on to perform with the University of Scranton Philharmonic Orchestra while still in high school. But little known at the time, the high school title of "class clown" would predict his real future as a successful stand-up comic. Barbutti, who created, wrote and starred in "Pete's Place" for Canadian syndication and also had a daily cooking and comedy show "Celebrity Microwave" on Canadian TV, has produced a number of comedy albums and was once named Las Vegas Entertainer of the Year.

The Grand Banquet and Show/CLF Gala is held annually to honor the association's incoming president. In addition to enjoying the talents of the Gatlin Brothers and Pete Barbutti, banquet guests will have an opportunity to mingle with national legislators touring the Show as part of the Congressional Visit Program.

Tickets for this gala are $100 per person. They can be purchased from Philip Kralovec, National Restaurant Association, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601; (312) 853-2525.

SHOW SCHEDULE



SATURDAY, MAY 21

7:30 a.m.
The Educational Foundation of the National Restaurant Association seminar series, registration and check-in for one-day and two-day programs

8:00 a.m.—3:00 p.m.
One-day seminars with 30-minute lunch breaks, McCormick Place North, lower level

☐ Planning successful buffets
☐ Dining room management
☐ Employee motivation
☐ Kitchen management
☐ Menus that sell!

First day of two-day seminars (cont'd on May 22)

☐ Beverage management
☐ Off-premises catering
☐ Operational analysis
☐ Action marketing
☐ Restaurant site selection and market feasibility
☐ Understanding restaurant design
☐ Negotiating for and financing foodservice facilities

9:30 a.m.—5:30 p.m.
Dealer/supplier press preview of exposition, McCormick Place and McCormick Place North

9:30 a.m.—5:30 p.m.
National Restaurant Association Ice Carving Classic, lower level of McCormick Place North. First of four days; continues on May 22, 23 and 24

9:30 a.m.—5:30 p.m.
18th Annual Culinary Arts Salon, Chicago Room, McCormick Place. First of four days; continues on May 22, 23 and 24

11:30 a.m.
Annual Hennessy Awards Luncheon, Hyatt Regency Chicago (ticketed event)

6:30 p.m.
The Grand Banquet and Show/Congressional Leadership Forum (CLF) Gala, Hyatt Regency Chicago, in honor of the National Restaurant Association's new Chairman of the Board and President, with Larry Gatlin and The Gatlin Brothers and comedian Pete Barbutti (ticketed event)

SUNDAY, MAY 22

7:30 a.m.
Registration and check-in for the Educational Foundation of the National Restaurant Association seminar series

8:00 a.m.—3:30 p.m.
One-day seminars with 30-minute lunch breaks, McCormick Place North, lower level

☐ Food cost management
☐ Hiring in a tight labor market
☐ Increasing sales: Effective front-of-the-house management
☐ Profitability
☐ Soups and sauces
☐ Tools for training

Second day of two-day seminars, McCormick Place North, lower level

☐ Beverage management
☐ Off-premises catering
☐ Operational analysis
☐ Action marketing
☐ Restaurant site selection and market feasibility
☐ Understanding restaurant design
☐ Negotiating for and financing foodservice facilities

8:00 a.m.
The start of "The Main Course" 10-K race at Arvey Field

10:30 a.m.—6:00 p.m.
Exposition opens, McCormick Place and McCormick Place North

10:30 a.m.—6:00 p.m.

☐ National Restaurant Association's Chefs Stage, upper level, McCormick Place North. First of three days; continues May 23 and 24
☐ National Restaurant Association Ice Carving Classic, lower level, McCormick Place North. Second of four days; continues May 23 and 24
☐ 18th Annual Culinary Arts Salon, Chicago Room, McCormick Place. Second of four days; event continues May 23 and 24

2:00 p.m.
Opening Day Program, Arie Crown Theater, McCormick Place

☐ Welcoming address: Association Chairman of the Board and President Michael J. Grisanti

☐ Keynote speech: NBC Nightly News Anchor Tom Brokaw

9:00 p.m.—1:00 a.m.
Convention Capers featuring trumpeter Danny Davis and The Nashville Brass and singer Ray Price, Hyatt Regency Chicago

MONDAY, MAY 23

9:30 a.m.—5:30 p.m.
Exposition opens, McCormick Place and McCormick Place North

9:30 a.m.—5:30 p.m.

☐ National Restaurant Association's Chefs' Stage, upper level, McCormick Place North. Second of three days; continues on May 24

☐ National Restaurant Association Ice Carving Classic, lower level of McCormick Place North. Third of four days; event continues May 24.

☐ 18th Annual Culinary Arts Salon, Chicago Room, McCormick Place. Third of four days; event continues May 24.

10:30 a.m.—12:30 p.m. Signature Series, Earl McMahon Room, McCormick Place: What you are is where you see

10:30 a.m.—12:00 p.m. Theater Series, McCormick Place

☐ Quantum management, Theater One

☐ You can negotiate anything, Theater Three

10:30 a.m.—12:00 p.m.
Special presentation. Speaker: Madame Jehan Sadat, McCormick Place, Theater Two

10:30 a.m.—12:00 p.m. Management Clinics, McCormick Place, lobby level

☐ Management is just one thing after another

☐ Merchandising nutrition

☐ Private clubs in the 90s

☐ CHART presentation

☐ Rethinking the tabletop

2:00 p.m.—3:30 p.m. Signature Series, Earl McMahon Room, McCormick Place: The economy

Theater Series, McCormick Place

☐ You can make a difference, Theater One

☐ Preparing today for the challenges of tomorrow, Theater Three

Management Clinics, McCormick Place, lobby level

☐ Brewpubs

☐ Training for excellence

☐ Maitre d' apprenticeship program

☐ CHART presentation

☐ Cinnamon abuse

9:00 p.m.—1:00 a.m.
Convention Capers, Chicago Marriott, featuring The Drifters and The Magnificent Men

TUESDAY, MAY 24

9:30 a.m.—5:30 p.m.
Exposition opens, McCormick Place and McCormick Place North

☐ National Restaurant Association's Chefs' Stage, upper level, McCormick Place North

☐ National Restaurant Association Ice Carving Classic, lower level, McCormick Place North

☐ 18th Annual Culinary Arts Salon, Chicago Room, McCormick Place

10:30 a.m.—12:30 p.m. Signature Series, Earl McMahon Room, McCormick Place: Playing to win

10:30 a.m.—12:00 p.m. Theater Series, McCormick Place

☐ Sustaining exceptional performance, Theater One

☐ The grid, Theater Three

Management Clinics, McCormick Place, lobby level

☐ Basic supervision

☐ Facing the tight labor market: Part I—Hiring the handicapped

☐ CHART presentation

☐ Wine merchandising clinic

2:00 p.m.—3:30 p.m. Theater Series, McCormick Place

☐ Marketing—Achieving the competitive edge, Theater One

☐ Politics on the menu: Inviting your congressman to dine, Theater Two

Management Clinics, McCormick Place, lobby level

☐ Guess who's not coming to dinner

☐ Facing the tight labor market: Part II—Hiring the older worker

☐ CHART presentation

☐ Wine list clinic

6:30 p.m.
Salute to Excellence Reception and Dinner, Chicago Hilton and Towers (ticketed event)

WEDNESDAY, MAY 25

9:30 a.m.—3:00 p.m.
Exposition opens, McCormick Place North

10:30 a.m.—12:00 p.m.

☐ Desktop menus

☐ CHART presentation

Impressive educational lineup

Often as important to operators as a tour around the floor is the time spent attending some of the various educational programs at the association Show. In the Signature Series and Theater Series programs, operators have an opportunity to rub shoulders with celebrities and best-selling authors. Dynamic presentations by these marketing experts, management whizzes and behavioral psychologists give operators new insight into their own operations and offer tips and techniques to incorporate back home.

In smaller group sessions, known as Management Clinics, attendees take part in problemsolving discussions focusing on operational difficulties confronting restaurateurs. These clinics often save operators countless hours at the drawing board by detailing the successes and failures of similar operations.

Here is a preview of what you will see and hear in the educational lineup at the 69th National Restaurant Association Restaurant, Hotel-Motel Show.

Signature series

Be sure to set time aside to catch these dynamic presentations in the Earl McMahon Room of McCormick Place on Monday and Tuesday, May 23 and 24:

☐ **What you are is where you see** by Dr. Morris Massey is the third installment of his two earlier presentations—**What you are is where you were when** and **what you are is not what you have to be.** These

Morris Massey

sessions wowed Show attendees in 1980 and 1982.

☐ **Playing to win.** If you lose more than you win or win less often than you like, this signature series program is for you. Fran Tarkenton, number-one-ranked passer in National Football League history and current chairman of the board of his own multi-million-dollar management consulting firm, details his philosophy of winning. Tarkenton's method reaches all levels of the corporate structure—from how to manage human resources to how to gain self-fulfillment.

Fran Tarkenton

☐ **The economy.** Wish you had a crystal ball to predict the economic outlook for 1988 and beyond? Then don't miss this opportunity to hear Dr. Arthur Laffer, author of the well-known and sometimes controversially regarded "Laffer Curve." Laffer has ideas about cutting taxes, the budget deficit, causes of the recent stock-market crash and tacking the value of the dollar to a metal standard. He's a brilliant economist, with an unmatched ability to make economic theory understandable and fun.

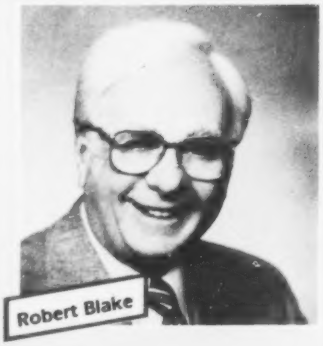
Arthur Laffer

Theater series

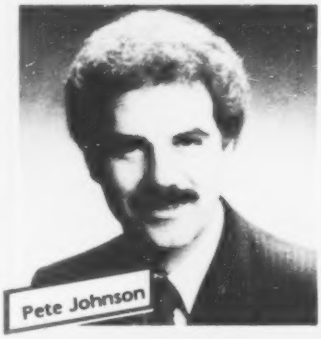
Be sure to stop by Theaters One, Two and Three on the mall level of McCormick Place Monday and Tuesday, May 23-24. Here's what you will see:

☐ **You can negotiate anything.** Herb Cohen, whose years of expertise as an attorney, consultant, businessman and negotiator gave him material for his bestseller, *You Can Negotiate Anything*, shares his insights on the fine art of negotiation with Show attendees. In addition to solid information, listeners will be entertained by Cohen's humor.

☐ **The grid.** Dr. Robert Blake, coauthor of 34 books and more than 200 articles with the late Jane Mouton, is most famous for *The Managerial Grid*. Blake and Mouton's most recent collaboration, *Spectacular Teamwork*, represents a breakthrough for the study and improvement of teamwork in modern organizations. Show attendees will gain a rare opportunity to meet and learn from one of the best-known theorists in the behavioral sciences.


Robert Blake

☐ **Preparing today for the challenges of tomorrow.** Strategy—when can't it be better? Come and learn from Dr. Peter Johnson of Johnson and Company, the nation's premier speaker on strategy. You'll learn how to out-think the competition by concentrating your efforts on the cumulative effects of a coordinated plan instead of dwelling on the results of single actions. Learn the art of strategic business, marketing and sales planning. Concentrate on strategic positioning, market "nichemanship" and gaining the competitive advantage. Widely used by corporate giants, Johnson's approach is also applicable to small and midsize operations.


Pete Johnson

☐ **Marketing—achieving the competitive edge.** Best known for his creative ideas on management and marketing, Dr. Gunther Klaus has addressed—and entertained—more than 1 million people around the world with his basic marketing principles. For example, Klaus discusses how preoccupation with trivia impedes effective planning for the future and gives reasons why executives shouldn't lie. (Research indicates that executives or managers tell 200 lies a day.)

Gunther Klaus

☐ **You can make a difference.** On May 19, 1967, Charlie Plumb was shot down near Hanoi and captured. He spent the next five years and nine months as a POW. His greatest challenge in captivity was not overcoming the living conditions but rather warding off a type of "prison thinking."

Charlie Plumb

Plumb, the author of two books—*I'm No Hero* and *The Last Domino*—teaches Show attendees how to overcome similar self-imposed limitations.

☐ **Quantum management.** Learn and laugh with Herb True, renowned "edu-tainer," as he explains how to become a 21st-century "quantum manager." Currently an adjunct professor at both Notre Dame and St. Mary's, True has instructed more than 3,000 audiences.

Herb True

☐ **Sustaining exceptional performance.** Art Turock presents his systematic "10-minute plan" for building exceptional performance. The key, according to Turock, is not flashes of brilliance but, instead, the ability to sustain momentum and to repeatedly eclipse past performance.

☐ **Politics on the menu: Inviting your congressman to dine.** The best way to effect change in the legislative area is through direct, personal contact with elected representatives. This session suggests ways to establish contact that works.

Management clinics

For more nitty-gritty sessions, don't miss the 20 exciting management clinics on the lobby level of McCormick Place on Monday, Tuesday and Wednesday, May 23-25. Here is a preview of some of the selections:

☐ **Management is just one thing after another.** A lively session on management strategies presented by Dr. Robert Christie Mill, director of the University of Denver's School of Hotel and Restaurant Management.

☐ **Rethinking the tabletop.** A panel presentation coordinated by Irving J. Mills, author of a new book on tabletop appointments. Panelists are: Elaine Bell, Wine Country Caterer; Roseanne Bye, consultant; Marcel Desaulniers, The Trellis and Jimmy Schmidt, Rattlesnake Club.

☐ **Facing the tight labor market: Part I—Hiring the handicapped.** A panel of industry operators and rehabilitation professionals, including Robin Anderson, QSC Management; John Cannatal, SBM Maintenance Co; and Carolyn Thompson, JVS and National Rehabilitation Association, explains how easy and rewarding hiring trained and motivated handicapped workers can be.

☐ **Facing the tight labor market: Part II—Hiring the older worker.** A shop talk among industry professionals who have successfully taken advantage of this growing pool of potential employees. Presenters include: Patricia Brophy, McDonald's Corporation; and Pam Farr, Marriott Corporation.

☐ **Basic supervision.** Join Jack Miller, head of the HRI program at St. Louis Community College and a presenter of National Restaurant Association seminars for 15 years, in his discussion of basic supervisory techniques.

☐ **Training for excellence.** A session for managers and supervisors interested in significantly increasing productivity, presented by Marcia Rund Bradley, director of education for the Rund Restaurant Group in Rochester, New York.

☐ **Cinnamon abuse.** A lively panel discussion on the ins and outs of on-premises baking, particularly looking at the phenomenal success of the cinnamon roll.

☐ **CHART programs.** Once again, this popular series of five presentations on various aspects of human resources development is presented by the Council of Hotel And Restaurant Trainers.

☐ **Wine merchandising clinic.** A panel of restaurant and hotel professionals who are experts in wine will tell you how you can expand your wine sales. Learn how to train your staff, how to develop a variety of promotions and how to successfully market premium wines by the glass.

☐ **Wine list clinic.** Why does a restaurant need a wine list? What makes a good wine list? How do you go about putting a list together? These and scores of other questions can be answered by this group of experts composed of operators whose lists have won awards and top wine list consultants. In this session, you'll be able to sit down and talk with the experts. Bring your own wine list for a professional evaluation.

☐ **Maitre d' apprenticeship program.** Dr. Tom Calnan, director of the Unversity of New Orleans Hotel School, presents an innovative concept for a nationwide apprenticeship program that addresses both the educational needs of existing front-of-the-house employees and the recruitment needs for mid-management personnel.

☐ **Guess who's not coming to dinner.** If you take reservations in your restaurant, you know what an expensive nuisance no-shows can be. This panel of operators, including Leslee Reis of Cafe Provencal, shares some successes and frustrations in dealing with the problem.

☐ **Merchandising nutrition.** A panel of industry professionals explains how to sell nutrition without turning people off—through menu structure, promoting healthful food and drink items, and encouraging nutritious consumption patterns.

☐ **Desktop menus.** Steve Miller, longtime National Restaurant Association seminar instructor, discusses the use of desktop publishing with personal computers to design and print menus.

☐ **Brewpubs.** This session looks at one of the most exciting minitrends in the industry today. Operators who have already undertaken the formidable task of adding breweries to their restaurants share their experiences with Show attendees. Participants include: Uli Bennewitz, The Weeping Radish Restaurant & Brewery, Manteo, North Carolina; John Dallman, Water Street Brewery, Milwaukee; and Jerome Eastman, Tap & Growler, Chicago.

☐ **Private clubs in the 90s.** This industry segment shop talk focuses on the future and features a top-flight panel of Certified Club Managers, including Martha Bonk, Edward Drew, Mead Grady and Edward Hoffman.

Educational seminars teach operational how-tos

Whether you are new to the field or a seasoned professional, when it comes to learning or perfecting operational how-tos, there is no better place to go than to the Educational Foundation of the National Restaurant Association. This year's program includes 18 seminars to be held on the lower level of McCormick Place North, Saturday and Sunday, May 21 and 22. As a special bonus this year, seminar participants receive complimentary Show admission. (These seminars require a separate admission fee.)

One-day seminars

Saturday, May 21

□ **Planning successful buffets.** Applicable to almost any size foodservice operation, this seminar teaches the basics of buffet service with an emphasis on creative menu, decor and preparation techniques.

□ **Dining room management.*** Learn basic front-of-the-house management skills, including employee motivation and problemsolving on the floor. Appropriate for all levels—owner/operators, dining room managers/supervisors, waiters and waitresses.

□ **Employee motivation.** Learn how to hire—and keep—motivated employees through practical incentive programs, teambuilding exercises and employee work groups.

□ **Kitchen management.*** Discover money-saving techniques for improving efficiency and productivity in the kitchen. This seminar focuses on food production and preparation, maintaining quality, controlling food costs and effective management techniques.

□ **Menus that sell!** Discover how to make the most of your menu—your number 1 sales and marketing tool. This course covers flagging poor performers, adding new moneymakers, menu design and layout.

Sunday, May 22

□ **Food cost management.** What are the factors behind lost money? Look at the problem from another angle and learn a proven system that controls costs by tracking actual food use. Attendees receive all the forms and management tools needed to implement cost control programs in their establishments.

□ **Hiring in a tight labor market.** Gain valuable insights on ways to increase reliable applicant sources, evaluate application forms, perform a hospitality evaluation of job candidates and train management to become better at hiring and maintaining qualified employees.

□ **Increasing sales: Effective front-of-the-house management.*** Attendees take a close look at their present dining room service style and learn specific methods for improving sales. Learn about merchandising techniques, sales incentives, motivational tools and much more.

□ **Profitability.** Walk away with a blueprint for improving profits at the unit level. A variety of practical and innovative operating systems, management techniques and cost control tips are explored.

□ **Soups and sauces.** Learn about these inexpensive and easily prepared, yet distinctive and profitable, menu additions. Techniques and principles upon which all soups and sauces are based are provided.

□ **Tools for training.*** Learn how to build a solid employee training program using proven techniques. The program focuses on the whys and how-tos of training.

Two-day seminars

Saturday and Sunday, May 21 and 22

□ **Beverage management.** Discover how to reach new markets, develop profitable merchandising programs, improve controls, spot consumer trends and boost wine sales. The program also looks at "alcoholic beverage consciousness" and what it means in today's business environment.

□ **Off-premises catering.** A complete guide to the essentials of a catering business, including a look at common pitfalls. Focus includes analyzing market potential; developing new business; menu development; selecting foodservice style; cost, production and handling; staffing; current trends and signature foods.

□ **Operational analysis.** How does your restaurant measure up against industry standards? This course covers both financial and managerial analysis to help restaurateurs pinpoint the strengths, weaknesses and potential of their operations.

□ **Action marketing.** This intensive program focuses on the basics of successful marketing. It reviews the how-tos of increasing profit by building new repeat customer trade, minimizing the risk involved in expansion and heading off problems that threaten sales, growth and profits.

□ **Restaurant site selection and market feasibility.** Attendees learn the key principles of successful site selection through careful analysis of the existing market structure, review of the physical characteristics of the target site, examination of economic and financial variables and customer profiles.

□ **Understanding the process of restaurant design.** This seminar gives foodservice executives the background necessary to understand and control restaurant design projects and avoid costly mistakes. Analyzing project feasibility, planning space and equipment, resolving design problems and working effectively with architects, engineers and consultants are some of the topics covered.

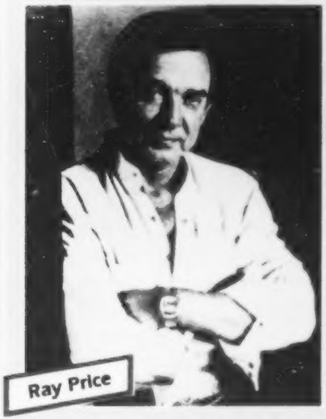
□ **Negotiating for and financing foodservice facilities.** This course emphasizes the importance of real estate to the foodservice operator. Attendees learn about deal negotiations and financing loans.

The cost of these courses varies. Basic one-day foodservice courses, those identified by an asterisk, are $125 for association members and $155 for nonmembers. One-day food production and foodservice management courses are $155 for members and $195 for nonmembers. Two-day seminars are $325 for members and $395 for nonmembers. The registration fee covers the cost of the course and materials.

Discounts for multiple attendees from the same company are available for food production and food management courses. For additional information, contact the Educational Foundation of the National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC, 20036-3097; (202) 331-5900.

[illegible] down-home sounds

Show attendees can dance the night away at Convention Capers Sunday and Monday, May 22 and 23. At the Hyatt Regency Chicago on Sunday, May 22, is country-western night featuring Danny Davis and The Nashville Brass and the down-home sounds of the inimitable Ray Price, known for *Heartaches by the Number, For the Good Times, Danny Boy* and many other all-time favorites. For rhythm and blues fans, Monday, May 23, is a special night at the Chicago Marriott featuring The Drifters and The Magnificent Men. And best of all, your National Restaurant Association Show badge is your only price of admission.



Ray Price

Shopping for overseas goods

Why spend thousands of dollars on a buying exhibition overseas, when the price of admission to the 69th National Restaurant Association Restaurant, Hotel-Motel Show offers an opportunity to mingle with marketers from around the world and a chance to see hundreds of foreign foods, products and services. You can be sure that the Show's international marketplace will showcase tempting foods, beverages, products and services and will provide an international business center where business relationships can be cemented.

On the exhibit floor of McCormick Place North, you will see exhibits presented by the China External Trade Development Council, Interexpo (Italy), the Netherlands, the German Wine Information Bureau, New Zealand, Food & Wine from France, French Expositions (equipment), the Austrian Trade Commission, Portugal and Canada.

Because the U.S. Department of Commerce (DOC) named the 69th National Restaurant Association Show as one of only 18 U.S. Foreign Buyer Programs, the "show of shows" must be doing something right!

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VOLLRATH WALK-IN COOLERS

Be sure to join the 100,000 Show attendees to find out which way the industry is headed.

A tribute to excellence

A thousand industry leaders will gather to demonstrate their commitment to education at the second annual Salute to Excellence Dinner at the Chicago Hilton and Towers on Tuesday evening, May 24. At this prestigious event, the Educational Foundation of the National Restaurant Association will once again honor select industry representatives for their extraordinary support of advancing professionalism through education by bestowing its Ambassador and College of Diplomates Awards.

A committee of the board of the educational foundation will select the recipient of the 1988 Ambassador Award from current members of the College of Diplomates.

Also set for special recognition at the banquet are 100 student honor delegates from culinary institutions and hotel, restaurant and institutional management schools; winners of other hospitality industry distinctions like the IFMA Gold and Silver Plates; the CHRIE Achievement Award; the H.R. Meek Award and winners of various awards given during the 69th National Restaurant Association Restaurant, Hotel-Motel Show.

Attendance at the Salute to Excellence Dinner is by invitation only. For more information, contact Charles Sandler, director of information, the Educational Foundation of the National Restaurant Association, 20 N. Wacker Dr., Suite 2620, Chicago, IL 60606; (302) 782-1703. ❑

REGIONAL MARKETING

Translating national trends for your local audience

by Marcia Hibsch Coppess

In a nation of 242 million people covering 3.6 million square miles, there is more than enough room for diversity. Lifestyle, needs and taste preferences vary from state to state, region to region and neighborhood to neighborhood.

It is the restaurateur's task to interpret both regional tastes and such national changes as working women, kids dining out and "cocooning" into a marketing language and style that satisfies regular customers while it brings new ones through the door. With attention to those details, the results can be a boon to business; without them, there can be a fatal blurring of purpose and concept.

Defining regional tastes

Companies realized long ago that customer attitude and behavior differ significantly from market to market but are only now reacting to that information, according to Tom Feltenstein, president of American Restaurant Marketing Group, West Palm Beach, Florida.

"As more people arrive on the restaurant scene, competition intensifies," he explains, "Owners need to focus a beam of powerful marketing where it counts rather than trying to spread their advertising and marketing dollars too thin."

Taste differences can be subtle or dramatic, from a preference for more spice to a spurning of particular foods or beverages. Some restaurants find that a product sells well in the West but languishes in the Midwest. Others note that their customers identify them with a type of food, whether the restaurant is in Seattle or Phoenix.

"We find a lot of similarities in the foods our consumers prefer," reports Julia Stewart, vice president of marketing for Stuart Andersen's Black Angus/Cattle Company Restaurants in Los Altos, California. "That may be a function of our fare: a steak is a steak, whether you smother it in mushrooms or offer it with a bearnaise sauce. But we do find regional preferences in fish and liquor, and we take advantage of those differences by featuring them as specials."

Lamar Berry, vice president of marketing for Popeye's in Jefferson, Louisiana, says that the chain's positioning as a New Orleans-type fried chicken restaurant creates both a need and a niche in new markets.

"Consumers are getting more experienced in their eating habits and cry out for something other than meat and potatoes," Berry believes. "When we go into new markets we often create excitement among the local press and food columnists because we are different. We wouldn't want to change that by offering something everyone else has."

Fast food chains respond by broadening menus beyond sandwich fare, and restaurants formerly populated by the single after-work crowd welcome couples with children. Large chains often leave room in their marketing and menu planning for regionalization.

For example, the IHOP corporation's marketing and menu planning addresses both national and regional trends in a way that retains the chain's identity but capitalizes on changes in its customer base.

The North Hollywood, California-based company has designed a menu built around a core group of items but still leaves final menu selection to the individual franchise owner. In one IHOP a Denver omelette is a popular menu item, but it may be replaced by corn pancakes in another part of the country.

"Our franchise owners can give us a lot of feedback on what the consumer wants," said Stephen T. Petisse, IHOP's vice president of marketing and current chairman of the National Restaurant Association Marketing Executives study group. "Each restaurant is like a market research cell. So it makes sense that the owners would have a say in what menu items their customers want."

Donald F. Calhoon, vice president of field marketing for Wendy's International in Dublin, Ohio, has seen his company's marketing philosophy change dramatically in the last decade. When he joined the chain 10 years ago, there were fewer than 300 units and four field marketing people. Now he supervises 40 people who service 4,000 restaurants.

"It's wrong to assume we in Columbus can fully understand all the nuances of the restaurants in Phoenix to make their decisions on a day-to-day basis," he says. "Instead, we work together to create a national program that accomplishes corporate goals but can be adapted to the needs of local markets."

Differences between cities

Attention to national trends and regional preferences doesn't mean that individual restaurant owners can disregard the differences between cities or neighborhoods. Even success in one part of town doesn't ensure success elsewhere in the same city. Restaurant owners considering a move into a new neighborhood or market must take a close look at the match between their concept and the markets they enter to avoid plunging into costly mistakes.

When Michael McCarty, chef-owner of Michael's in Santa Monica, California, decided to open a second restaurant that would combine the upscale, new American cuisine at Michael's with a moderately priced grill-lounge, he investigated several cities.

"We pinpointed several cities around the country with an upscale clientele that enjoyed eating fresh, innovative food in an art-filled environment," he says. "We chose Denver for our first Rattlesnake Club specifically because the city has that sort of person. Now we're finalizing work on Rattlesnake Clubs in Detroit and Washington, DC, where the same type of clientele exists."

While a restaurateur enjoys success in one city, he may find that his concept doesn't translate from city to suburb or from North to South. Frank Fat founded the Chinese restaurant bearing his name in Sacramento's Chinatown nearly 50 years ago. With skill, good food and goodwill he built a Sacramento institution frequented by California's politicians, Chinese residents and tourists.

Riding on the success of Frank Fat's, the family decided to move 500 miles south to take advantage of the growth of San Diego's downtown. In 1979 they bought a huge Art Deco building along the harborfront and restored it, painting it Pepto-Bismol pink and adding a mile of pink and blue neon around its perimeter.

But the Fats were just another new family in San Diego; Fat City and China Camp just two more restaurants; and the unusual concepts surrounding them weren't accepted by the city.

"We quickly learned that San Diego is not Sacramento," says Tom Fat, who moved with two other relatives to San Diego to launch his father's new restaurants. "The location is different, the people are different, and our reputation is not the same. The market was not at my feet here, and we were pretty shell-shocked."

The restaurants eventually stabilized with the help of aggressive print and radio advertising, positive reviews and high-profile community involvement.

In sum

Marketing is successful when a restaurateur or chain makes decisions as close to the consumer as possible. "Regional marketing's role is to provide local input to guide the strategic issues. People from world headquarters can decide on optimal positioning, but the input has to be from the people," says Feltenstein.

Once the owner develops a sense of his personal market, he can adjust his products, decor, hours, prices and advertising to suit local tastes. ❑

Marcia Hibsch Coppess is a freelance writer in Arcadia, California.

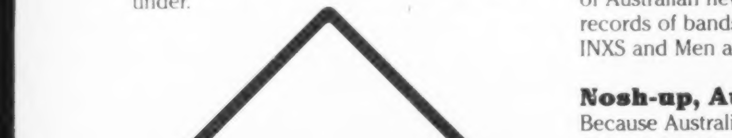
You can be saucy with the spirit of Aussie

by Paul Moomaw

As Australia celebrates the 200th anniversary of its settlement by the British, U.S. interest in the land down under is at an all-time high. Australian movies, clothing and music are all the rage, and curious American tourists are flocking to Australia in 1988 to see Australians celebrate their bicentenary. You can save your customers a bundle on airfare by bringing a promotion to your restaurant that features the sights, sounds and flavors of Australia.

Nifty decor

Some quick changes in your restaurant's decorating scheme can set the stage for a successful promotion. Because animals make up an important part of America's vision of Australia, strategic placement of stuffed kangaroos, koala bears and wallabies can bring the look of the outback to your establishment. Complete the bush-country motif with sparse placement of eucalyptus trees and shrubs and a few boomerangs. By calling an Australian travel agent or Quantas Airlines, you can probably get your hands on some free travel posters to evoke the Australian outback and major cities from the land down under.



FYI: Contrary to a popular misconception, kangaroo meat is not an Australian staple, although the gamey, beefy dark meat is delicious when used in such dishes as Kangaroo-tail soup and Bolognese sauce.

Australians have been influenced by American culture for years, but the reverse has only recently been true. The smash movie hit *Crocodile Dundee*, starring Paul Hogan, brought the Aussie spirit to many Americans for the first time. You can make the most of this connection by screening the film in your restaurant or adding some Paul Hogan posters or pictures to your decorating scheme or to a commemorative menu.

Australian rock music has infiltrated American airwaves in recent years as well. If your establishment has a lively pub atmosphere, you could feature an evening of Australian new music by spinning the records of bands like Crowded House, INXS and Men at Work.

Nosh-up, Aussie style

Because Australian food is similar to traditional American fare, with its strong emphasis on roasted meats served with potatoes and vegetables, almost every American establishment can adopt a few Aussie specialties, offering such festive dishes as Boomerang Chili, Walkabout Salad, Sydney Sandwiches, and Outback Chicken. You may also want to adapt a popular lottery called a chook raffle, in which a chook (or chicken) dinner for two is the prize; or you can do it Australian style and just give away the chicken.

Don't neglect lamb during your promotion. Lamb is especially popular with Australians, and it is in plentiful supply: There are nine sheep for every person in Australia.

But there is more to Australian cuisine than a simple love for meat. There are several native dishes that would be hard to find anywhere else.

Meat pies are everywhere in Australia: in the home, on restaurant menus, at the beach and at football stadiums. These little pies may be eaten at any meal or even as a stand-up snack at a bar because no utensils are necessary. A popular version of the meat pie known as a "floater" has the meat pie turned upside down in a bowl of thick pea soup and smothered in ketchup.

Both as a social event and a cooking style, the barbecue—or "barbie"—is an important Australian culinary tradition. An easy way to add a dish that may already be familiar to your customers is to feature "shrimp on the barbie" (barbecued shrimp).

Also indigenous to Australia is the infamous vegemite. The salty yeast extract is used by Australians as a bread spread, but for non-Aussies it definitely takes some getting used to. You will probably want to add it to your menu, anyway, because so

Paul Moomaw is a communications specialist at the National Restaurant Association.

many people have heard about it and might like to give it a try. Perhaps your servers can bring a few crackers to the table spread *thinly* with vegemite soon after your customers are seated.

One of Australia's most tempting offerings is the dessert known as pavlova. Pavlova was created by a chef in Perth in the 1930s as a tribute to the visiting Russian ballerina Anna Pavlova. To make pavlova, a crisp meringue is formed into a cavitied shell and stuffed with whipped cream and fruit. Traditionally, the colorful passionfruit is used as filling, but other fruits serve equally well: strawberries, raspberries, bananas or peaches, for example.

Another fine Australian dessert, which is very easy to make, is peach melba. Vanilla ice cream is scooped into a champagne glass, topped with half a peach, and then raspberry puree is spooned on top for a delightfully simple dessert. Once popular in the states, this delicious dessert could stand a revival, especially during the summer when fresh peaches are plentiful. Serve it with cookies, but call them "biscuits" in true Aussie style.

Your kids' menu can be adapted as well, with your selections renamed in the Aussie spirit. Let your imagination run wild with all your items except for sandwiches, which are known as "sangers" in Australia. You may also want to supplement your desserts with some special candies for your promotion. Call them "lollies," the way the Aussies do.

Top drops

Australia produces many fine beverages, including some of the world's best beers (top drops) and wines. Beers, such as Foster's Lager and Thomas Cooper Ale, have already swept through the American pub market and become favorites. Now you can introduce these beers to your patrons as part of your promotion.

In addition to beers, world-class table wines have found a growing U.S. following, and Australian wine coolers are also doing well in the American market. Mixed drinks can be "Aussied" as well. Your bartenders can improvise drinks using the kiwi fruit—kiwi daiquiris or kiwi margaritas, for instance, or such drinks as "The Didgeridoo"—gin, pineapple juice, orange juice, lemon juice, dash of passionfruit juice and fruit sherry.

Ace service

Employees can blend into the spirit of your promotion with clothes that conjure up images of the Australian outback. Khaki shirts and shorts and akubura hats or rugby shirts will make your waitstaff into temporary Aussies. Encourage them to sprinkle a little Aussie lingo into their conversation. Have them turn on the Australian charm by answering the telephone with the phrase "G'day, mate," and be sure they say "'ooroo" or "ta ta" when it's time for your customers to leave. 'Ooroo for now. ❑

VEGEMITE
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Bog in, don't wait and enjoy your tucker

One of the biggest Australian promotions of the year was put on by San Francisco's upscale hotel, The Westin St. Francis (between January 26 and February 29). This month-long food festival was dubbed "A Taste of Australia" and extended to all seven of the hotel's restaurants and to room service.

No expense was spared to create an Australian atmosphere for the hotel and its restaurants. The St. Francis lobby, restaurants and guest rooms all sported decorations in keeping with the Aussie theme. A special six-foot fiberglass kangaroo was commissioned for the Westin lobby, and 75 stuffed koalas were placed in a setting that also featured Australian flags and eucalyptus trees. Every Westin employee wore a two-inch clip-on koala during the promotion, and employees answered phones and greeted guests with the phrase, "G'day."

In Dewey's, the Westin St. Francis' pub, bartenders and waitstaff wore authentic akubura hats in the spirit of the Australian outback as they rang up Australian beers, kiwi daiquiris, Matilda Bay wine coolers and nonalcoholic beverages from Koala Springs. Another Westin restaurant flew in fresh Australian fish daily and offered it as part of a fixed price menu that included "Queensland salad," pavlova or a kiwi bush nut cheesecake. Other choices included: shrimp on the barbie, mesquite-smoked lamb, Sydney rock oysters, meat pies and bugtails—a cross between a crab, lobster and crayfish.

Thoughout the month, the Westin promoted the friendly Aussie phrase, "Bog in, don't wait and enjoy your tucker," which means "Come on in and enjoy your food."

The promotion filtered all the way into the guest rooms where mini-bars were stocked with Australian beer and wine, and table tents showed a koala bear dialing room service. The Westin promotion was a success, with over $100,000 of Australian beer, wine and food sold. Westin plans to try "Taste of Australia" at other Westin hotels in October.

Aussie lingo, by crikey

English is spoken in many places, but the Australian brand is unmistakable. Here's a guide to some of the most common Aussie expressions and their meanings.

☐ ace—excellent
☐ 'angon—wait a moment
☐ arvo—afternoon
☐ barbie—short for barbecue
☐ beyond the Black Stump—far from the city; the outback
☐ by crikey—an expression of surprise
☐ cheesed (off)—bored; fed up
☐ chewy—chewing gum
☐ chook—a domestic fowl
☐ chook raffle—a lottery in which the prize is a chicken; usually held in a "pub" (hotel)
☐ chuck a willy—go berserk
☐ cobber—friend
☐ dead marine—an empty beer bottle
☐ dead set—certain; assured; used as an exclamation meaning "really"
☐ dinky-di—genuine
☐ fair dinkum—honest; genuine
☐ fair enough—all right, acceptable
☐ go off like a bucket of prawns in the sun—to create a commotion
☐ good one—an exclamation of approval
☐ hooroo—goodbye
☐ like a possum up a gum tree—moving fast
☐ like a rat up a drainpipe—moving even faster
☐ lingo—language
☐ mate—good or best friend; also used to greet someone as in "G'day mate"
☐ nosh-up—a good meal
☐ nick—to steal
☐ nifty—stylish; clever
☐ 'ooroo—goodbye
☐ outback—the inland country far away from the cities
☐ ring in—a substitute
☐ sangers—sandwiches
☐ stone the crows—exclamation of astonishment
☐ ta ta!—bye bye!
☐ tinnie—a can of beer
☐ top drop—a good beer
☐ true blue—genuine
☐ yakka—hard or heavy work
☐ yobbo—a stupid or uncultivated person

NO-SMOKING SECTIONS, NO NONSENSE

Two-thirds of the American adult population are nonsmokers, and they are insisting that restaurants and other public facilities take notice. It's not just idle talk. With the support of legislation in their communities, nonsmokers are forcing operators to bend to their desires—whether restaurateurs want to or not. Often the laws are more stringent than voluntary efforts.

by Kathy Boyle

The current wave of anti-smoking sentiment, in part a backlash from the U.S. Surgeon General's report on "side-stream" smoke, puts restaurateurs firmly in the center of a swirling controversy over smoking in restaurants. In some locales, city governments have gone so far as to enact outright bans on smoking in restaurants.

Last April, for example, Beverly Hills' city hall passed one of the nation's strictest nonsmoking ordinances, prohibiting all smoking in restaurants. Immediately, business dropped off in Beverly Hills restaurants, as long-time patrons took themselves across the street or down the block to West Los Angeles and Hollywood. Since then, Beverly Hills' restaurateurs have put in an agonizing year—doing just about everything besides restaurateuring. They organized themselves into a city restaurant coalition, lobbied against city hall, and finally hired their own public relations counsel.

At first, nearby restaurateurs gloated—until they realized customers do not know where the city limits are. Some restaurateurs actually located in West Los Angeles found that potential customers thought they too were located in Beverly Hills and their business suffered as well.

Outright ban on smoking does not work

The all-out ban on smoking lasted from April until the end of July. "Business suffered considerably," says Andrew Silber, operations director of the 35-seat Jacopo's of Beverly Hills, an Italian restaurant. "In fact, I would estimate we suffered a 22 to 30 percent loss in revenue. If there was a smoker in a party of six or eight, they stopped coming near the city and took their business to Hollywood or West Los Angeles. The fact is that there are plenty of other good restaurants nearby."

"Right now we are at a stage with city council where we are at peace," notes Silber. There is currently a 50/50 rule—50 percent of the seats must be reserved for nonsmokers. "If managed properly, it works," says Silber. Most people understand, and most people are willing to modify their habits, opting for a seat in the other section, notes Silber.

In addition to providing this ratio of seats, restaurants must post signs and file floor plans with city hall, specifying the smoking and nonsmoking areas.

According to Silber, since the new agreement there has been a big improvement in business. "Business is back up to previous levels, mostly by word of mouth and coverage by the local press," says Silber.

Meanwhile, in November 1987, the score was slightly evened as a nonsmoking ordinance went into effect in Los Angeles. It requires Los Angeles restaurant owners to designate half of their seating space for nonsmokers. Fortunately for smaller restaurants, it applies only to restaurants with more than 50 seats. Exempt from the requirements are places that specialize in the sale of alcoholic beverages, such as bars and nightclubs.

"I would say Beverly Hills wanted to be a trendsetter and a leader, but they ended up with a lot of egg on their face," concludes Silber. As an outcome of the experience, Beverly Hills restaurateurs have been publicizing their experience by talking against such stringent regulation at local government meetings. "Hopefully, it will save others from what we had to go through," says Silber.

A nonsmoking town

Aspen, Colorado, was actually the first city in the country to ban smoking in restaurants. In 1985 Aspen passed an ordinance requiring either total no-smoking or a physical barrier between smoking and nonsmoking areas along with separate ventilation. Industry sources say the town is having trouble enforcing the law and, unofficially, it is being widely ignored. "As with any misdemeanor law, this type of law can soon become another 55 miles-per-hour speed limit law," tells John Walla, general manager of the 110-seat Ute City Banque Restaurant and Bar in Aspen.

Unlike Beverly Hills, however, where customers can easily travel to competing restaurants outside the area, customers are isolated in the resort town of Aspen. With all restaurants held to the same restrictions, customers had no choice but to comply with the law.

But Walla feels the long-term negative effect of the law is yet to be seen. "We have 1 million people come to Aspen each year. Statistically, 300,000 of them are smokers. If just 10 percent of them are offended by the law, that is 30,000 people (along with their families) who will not return. They can plan their next vacation to Vail, Steamboat, Utah or Europe. They will just redefine where they go. Most smokers admit they have a bad habit, but they do not want to be hassled about it when they are on vacation."

The Ute City Banque has been able to comply with the ordinance. "The ordinance mandated that we had to provide a separate physical area with separate ventilation," says Walla. "We have a small balcony area about six feet higher than the rest of the restaurant. We installed vents over this area to create a slight draft, and then added ventilators to move the air over to the balcony area. This assures that no smoke goes back to the lower part of the restaurant. It is so simple, and it was not that expensive. But, we did have to hire an air flow engineer to write some reports and meet with city officials in our restaurant for several hours to convince them that the system worked." Walla estimates the tempered-air unit they installed cost $6,000, the vents $2,000 and the engineer's time $700, but he says it was worth it because the restaurant picked up extra business.

Fewer problems cited with indoor-air laws

More common than the all-out ban enacted in Beverly Hills and Aspen is the clean indoor-air law, which restricts, rather than bans, smoking in public places. Many restaurants across the United States operate under this type of restriction. Clean indoor-air laws can vary substantially in their toughness. Most simply require a restaurant (usually only restaurants with more than 50 seats) to create a nonsmoking area. But other statutes require a certain proportion of seats to be set aside regardless of the restaurant's clientele.

Like many other jurisdictions, Cambridge, Massachusetts, passed a stiff anti-smoking ordinance for public places that included a provision for smoking and nonsmoking areas in restaurants. At Michela's, a 75-seat Northern Italian, fine dining restaurant, five of the 22 tables are designated for smoking. Since Michela's had always offered both smoking and nonsmoking sections, the restaurant did not have to make any drastic changes when the clean indoor-air law was passed.

Despite the fact Michela's complies with the law, uneducated customers can have misconceptions, says Marianne DeHaro, hostess at the restaurant, "Some customers think that since the law applies to public places, we should be entirely nonsmoking."

Voluntary system works

Many restaurants have opted to provide smoking and nonsmoking environments for their customers even when no law demands it. And these operators are most satisfied with the arrangement. Not only is it easier to implement a policy that an operator believes in, but customers also tend to appreciate a voluntary move more. According to the results of a statewide survey by the Florida Restaurant Association, when restaurateurs provide nonsmoking areas, they report a lower frequency of complaints from the dining public. If possible, they designate separate rooms for smokers and nonsmokers. But if there is no separate room (as in the case of a one-room restaurant), usually the area near the door or near the ventilation system is set aside for smokers. Open kitchen areas—with their excellent ventilation—are popular seating alternatives for smokers.

Chains with companywide policies such as Frisch's Restaurants, Inc., in Cincinnati, Ohio, and the Marriott Corporation's Hotel Division, leave the choice to include nonsmoking areas up to the local management of their facilities. "The market varies so much," explains Paula Butler, manager of media relations for Marriott Hotels and Restaurants. "Management at the local property best knows the local customer mix."

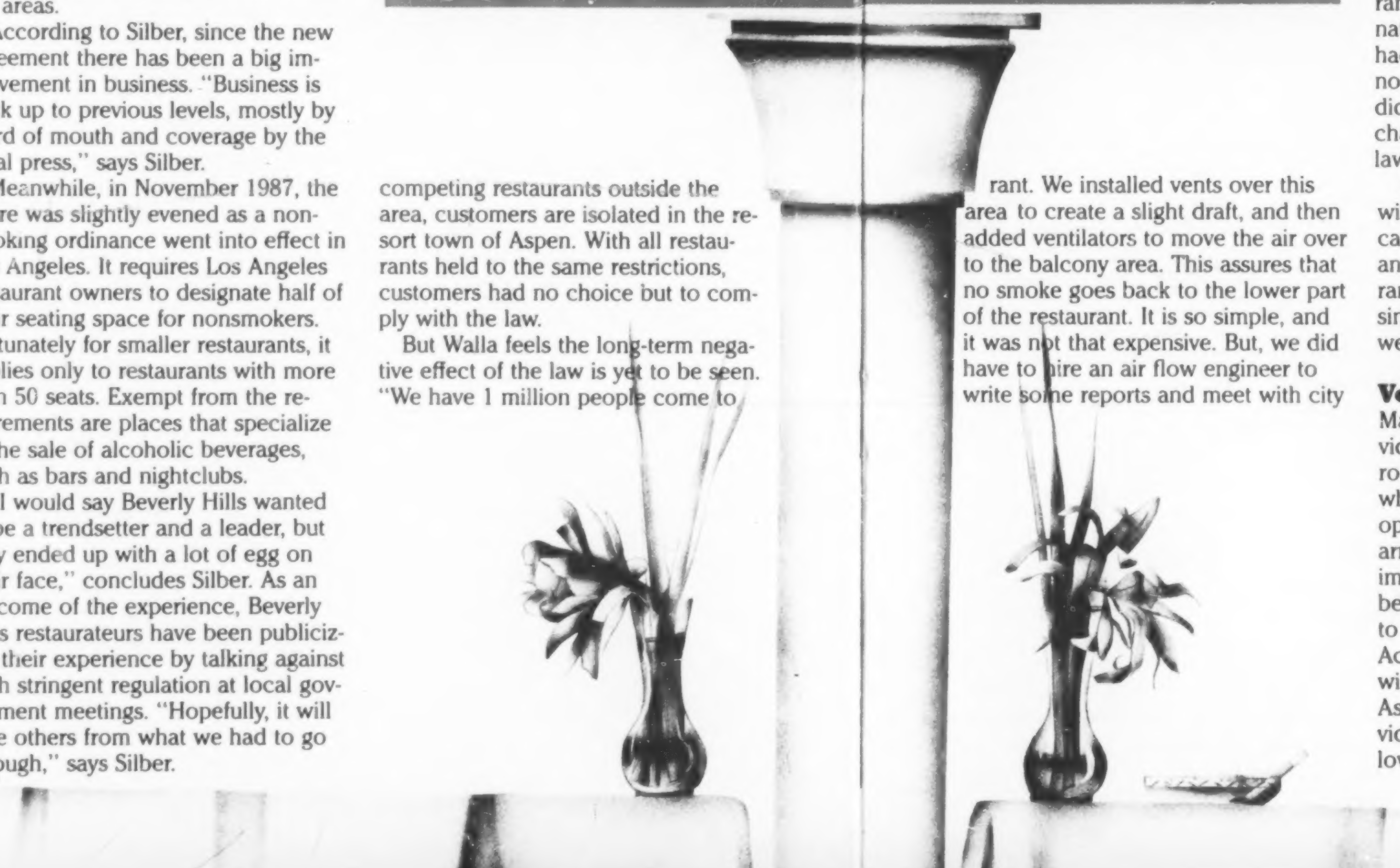
Letting customers know about the seating option is vital to the success of a voluntary plan. Signs and table vents are one option. Server questioning is another. Asking customers, "Do you have a seating preference?" works better than the abrupt, "Smoking or nonsmoking?"

Providing a voluntary nonsmoking section can have some unexpected benefits, such as attracting a new customer base. "It was a risk, but I think it has been well worth it," says Donna Crisp of Irregardless in Raleigh, North Carolina. "We have many customers who have come to the restaurant for years and now bring their children. I think they feel that without the smoke it is a good environment for their children."

The move can also generate free publicity. The American Lung Association of Maryland's Nonsmokers' Rights Groups, for example, publishes "A Nonsmoker's Guide to Restaurants in Montgomery County" listing restaurants in the county that have designated nonsmoking areas. Consumers can order the guide at no cost.

In sum

In general, restaurateurs believe nonsmoking sections work well if they are voluntary or if flexibility is written into a local ordinance. When, however, a set ratio of seats is mandated by law or expensive specifications are set for dividing the smoking and nonsmoking areas or in the worst case—an all-out ban on smoking is enacted, the restrictions can hurt business. ❑



Suzani

Kathy Boyle is a freelance writer in Rockville, Maryland, who writes frequently for **Restaurants USA.**

FISHER'S LAW

#90

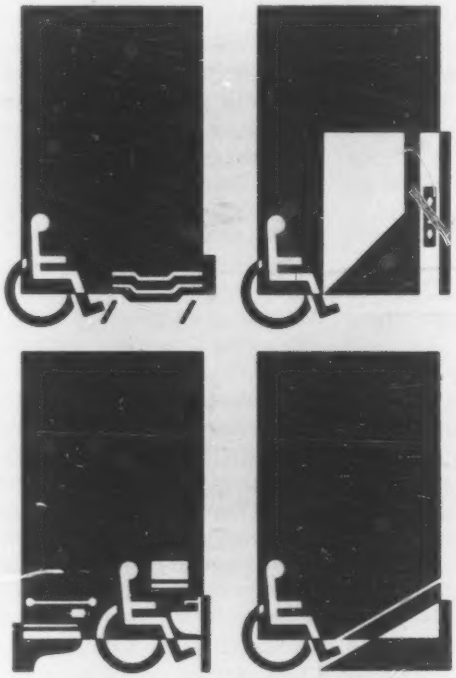
Business as usual—almost

In everyday life, we often run into clichés or "old sayings" that describe a circumstance we are encountering. These sayings are familiar because they are so widespread, and we've heard them or used them so often. The problem is that they don't always hold true. Here are 50 clichés I have adapted to the business world. You'll recognize the first clause, but the ending is new.

1. Behind every successful man there are . . . amazed in-laws.
2. If you don't have anything good to say . . . let's hear it.
3. The early bird gets . . . tired before you do.
4. All work and no play makes . . . for a good earnings report.
5. Do unto others . . . before they do unto you.
6. If at first you don't succeed, . . . abandon it.
7. Give them an inch . . . it's all they deserve.
8. An apple a day . . . makes apple growers ecstatic.
9. He who hesitates . . . has more information than you do.
10. The grass is always greener . . . where they spread the most fertilizer.
11. It's not what you know, it's . . . what you don't know that'll hurt you.
12. When in Rome . . . behave yourself.
13. I'd rather be right than be . . . left.
14. It takes two to . . . tangle.
15. Absence makes . . . the boss look yonder.
16. What goes up . . . should be sold.
17. If the shoe fits . . . get thicker socks.
18. Money is the root of all . . . investment.
19. There's no business like . . . good business.
20. When the going gets tough, . . . call for a consultant.
21. If it ain't broke, . . . don't even go near it.
22. Behind every cloud there's . . . usually thunder and lightning.
23. Haste makes . . . for exciting times.
24. An ounce of prevention . . . forestalls lawsuits.
25. Whistle while you work . . . and you'll annoy everyone within earshot.
26. Beauty is in the eye of . . . the right camera angle.
27. We have met the enemy, and he is . . . a tough competitor.
28. The bigger they are . . . the larger their advertising budget.
29. Necessity is the mother of . . . intervention.
30. A picture is worth . . . whatever you have to do to get the negative.
31. You scratch my back and . . . I'll knock your block off.
32. The shortest distance between two points . . . usually has a detour.
33. When all else fails, . . . read the help-wanted ads.
34. A bird in the hand is worth . . . today's market price.
35. Too many cooks . . . means you're overstaffed.
36. There's no time like . . . the future.
37. The way to a man's heart is through his . . . bank account.
38. May the best man . . . be on our side.
39. Never put off till tomorrow . . . what you can delay indefinitely.
40. Sticks and stones can break some bones, but names . . . can ruin a reputation.
41. Build a better mousetrap and . . . the competition will copy it immediately.
42. Little things mean . . . you'd better be detail-conscious.
43. He who laughs last . . . revels in revenge.
44. A penny saved . . . won't amount to very much.
45. Try, try again and at last you will . . . get a headache.
46. Still water . . . doesn't run.
47. Together we stand; divided we . . . had better take cover.
48. Patience is a . . . vice.
49. If you can't beat 'em . . . buy 'em.
50. Beauty is only . . . a press-release deep.

Fisher's Law #90. *Don't base your business life on clichés.*

Written with the assistance of Suzanne E. Fisher.



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Forty-five to 54-year-olds closeup

Their earning power alone is enough to warrant operator attention on 45 to 54-year-olds. In their peak earning years and without young children to keep them homebound, 45 to 54-year-olds are a force to be reckoned with. They represent more than 12 percent of industry traffic, and they tend to visit midscale and upscale establishments more frequently than do younger consumers.

Demographics

□ **Income.** Thirty percent of all households headed by 45 to 54-year-old consumers earn at least $50,000 per year. Their median annual income in 1986 was $35,660, almost 10 percent greater than that of 35 to 44-year-olds.

In addition to earning large salaries, middle-aged consumers have larger expenses because they tend to be property owners. In 1986 more than 80 percent of all households headed by 45 to 54-year-olds owned their own homes. In addition, many 45 to 54-year-olds face the burden of college tuition for one or two children at the same time. Annual education expenditures for these middle-aged households are nearly double what they are for households headed by 35 to 44-year-olds.

Although it is difficult to gauge whether higher expenses affect their restaurant spending, slightly less was spent on food away from home by 45 to 54-year-olds than by 35 to 44-year-olds in 1985, according to the Bureau of Labor's *Consumer Expenditure Survey*. Food away from home accounted for 37.8 percent of total food spending for 35 to 44-year-old households versus 36.5 percent for households headed by 45 to 54-year-olds.

Forty-five to 54-year-olds in higher income brackets, however, spend more of their food dollar on restaurant fare. Those with annual household incomes of $40,000 or more spent 42 percent of their weekly food budget on food away from home, compared with 30 percent for those earning $20,000 to $29,999 per year. Moreover, these high earners spent more per person per week on restaurant meals than did 35 to 44-year-olds with similar incomes: $13.48 compared with $12.14.

□ **Work.** During 1986, more than 90 percent of males aged 45 to 54 participated in the labor force and slightly less than 66 percent of similarly aged women were either employed or looking for work. Of the 45 to 54-year-old women not in the labor force, nearly 85 percent were keeping house. In fact, 30 percent of all 45 to 54-year-old women were homemakers in 1986, compared with 23 percent of females aged 35 to 44.

□ **Family life.** Most 45 to 54-year-olds are married and have children. Of all households headed by these individuals, 83 percent are family households. But the families of 45 to 54-year-olds differ sharply from those of 35 to 44-year-olds because their children are older. Less than half of all family households headed by 45 to 54-year-olds include children under 18.

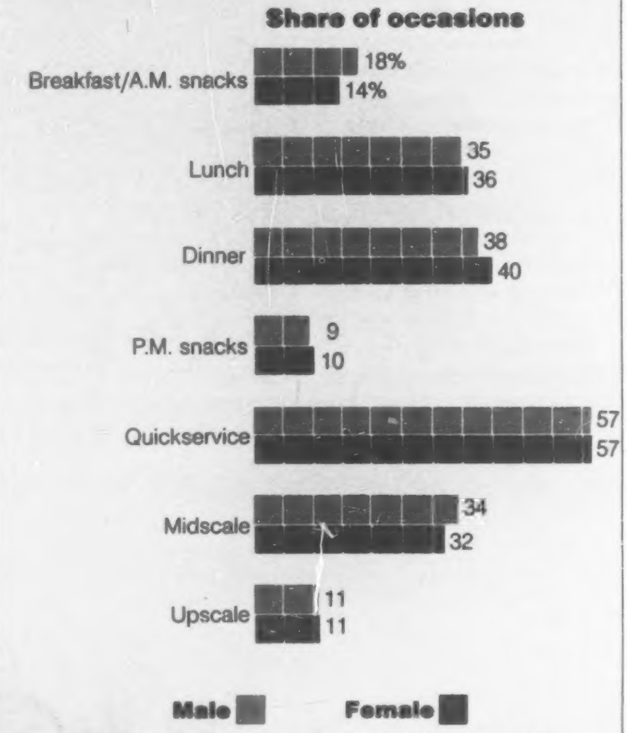
Older children mean smaller families because these children are often living on their own and supporting themselves. While 17 percent of the family households headed by 35 to 44-year-olds consist of two individuals, 31 percent—or nearly double the proportion—of families headed by 45 to 54-year-olds are two-person units.

Because of their demographic characteristics, these households have a different set of needs when eating away from home. If they have children living at home, these children are usually older and can contribute to choosing where and what the family will eat, or they can eat at restaurants on their own. And 45 to 54-year-olds with no

The 45 to 54-year-old age group contributed just 5 percent of the total growth in takeout traffic between 1982 and 1986; while 35 to 44-year-olds contributed 25 percent of off-premises traffic growth.

Distribution of occasions by meal period and segment for 45 to 54-year-olds

Quickservice restaurants had the largest share of total visits



Source: National Restaurant Association CREST survey, 1987

Share of restaurant occasions, 1986

	45 to 54-year-olds	35 to 44-year-olds	25 to 34-year-olds	All Consumers
Quickservice	57%	69%	73%	67%
Midscale	33	22	19	25
Upscale	11	9	8	8

Source: National Restaurant Association CREST survey, 1987

children living at home are free to make their dining choices unencumbered by the opinions of their children.

Midscale restaurants popular

Middle-aged consumers represent an important market for midscale establishments since they go to these restaurants more frequently than do younger customers. One-third of all restaurant visits by 45 to 54-year-olds are to midscale establishments, compared with 22 percent for those aged 35 to 44 and 19 percent for 25 to 34-year-olds.

Within the midscale segment, 45 to 54-year-olds frequent family style and varied-menu restaurants most often. These two types of restaurants account for nearly half of all midscale visits. Family steakhouses and cafeterias are also popular midscale eateries. In contrast, midscale ethnic restaurants are less popular with 45 to 54-year-olds than they are with the younger 35 to 44 age group.

According to CREST data, visits to upscale restaurants by 45 to 54-year-olds rose 22 percent between 1982 and 1986. Among all consumers, customer counts at upscale establishments increased just 10 percent. And during that same five-year period, 45 to 54-year-olds accounted for one-third of the overall growth in upscale traffic.

Forty-five to 54-year-olds make 11 percent of their restaurant visits to upscale establishments. When eating at upscale restaurants, 45 to 54-year-olds are partial to varied-menu and hotel restaurants. Fish, Mexican and Asian restaurants are also popular, but less so than with younger patrons.

Quickservice restaurants less popular

Quickservice restaurants are not as popular with this age group as they are with younger consumers. Fifty-seven percent of all restaurant occasions by 45 to 54-year-olds are to quickservice operations compared with 69 percent for 35 to 44-year-olds. Although quickservice traffic increased 14 percent among the middle-aged group between 1982 and 1986, this growth was below the quickservice segment average of 20 percent.

Menu item gainers and losers among 45 to 54-year-olds

Pizza and ethnic foods have surged in popularity with this age group

	Percent change in orders 1982-1986
Pizza	+47%
Asian	+43
Mexican	+39
Pasta	+38
Main-dish salad	+36
Roast beef	−19
Steak	−9
Sandwiches	−5

Source: National Restaurant Association CREST survey, 1987

Within the quickservice segment, hamburger and pizza establishments are the restaurants of choice, accounting for more than half of all visits. Chicken and full-menu establishments are also popular, although to a much lesser degree.

Takeout use lower

Restaurant takeout is used less by 45 to 54-year-olds than by younger consumers. One-third of all restaurant visits by this age group were for takeout, compared with 45 percent for patrons between the ages of 35 and 44. Furthermore, an association study *The Takeout Market* revealed that 11 percent of 45 to 54-year-olds do *not* use restaurant takeout, compared with 6 percent of those age 35 to 44. Forty-five to 54-year-olds who are frequent users of takeout are more likely to patronize grocery stores for takeout than are younger consumers, and they are less likely to visit quickservice restaurants for takeout. With fewer young children and a lower percentage of females in the workforce, takeout is apparently not as important

Weekly spending for food away from home by 45 to 54-year-olds

Households with greater income spend more per capita for food away from home

	Annual household income						
Age of household head	**Under $5,000**	**$5,000-$9,999**	**$10,000-$14,999**	**$15,000-$19,999**	**$20,000-$29,999**	**$30,000-$39,999**	**$40,000 and over**
45 to 54 years							
• Percent of weekly food budget	*	23%	27%	32%	30%	37%	42%
• Per capita	*	$3.64	$5.08	$6.62	$7.22	$9.89	$13.48

**Insufficient data*

Source: *Consumer Expenditure Survey, 1985:* Bureau of Labor Statistics, 1987 to this age group as it is to baby boomers.

Favorite foods

Sandwiches, beef, chicken, pizza, fish and seafood are the overall favorite restaurant foods of 45 to 54-year-olds. Sandwiches, pizza and chicken are the most popular menu choices at quickservice establishments. Hamburgers, included as a sandwich, were ordered on one in five visits, and pizza was chosen on 15 percent of all quickservice occasions. At midscale restaurants, sandwiches are also the most popular menu item, although beef and fish are favorites as well. Sandwiches were ordered on 21 percent of all midscale visits, and beef and fish were chosen on 13 and 10 percent of all occasions, respectively. Main-dish salads were also a popular midscale menu item, ordered on 9 percent of all visits.

Forty-five to 54-year old consumers accounted for more than one-quarter of the total growth in nonfried chicken and main-dish salads.

At upscale establishments, fish and beef are the most popular menu items. Fish or seafood was ordered on 21 percent of all visits and beef on 16 percent. Ethnic dishes are a common choice at upscale restaurants as well, with orders for pasta, Mexican and Asian items occurring on 7 to 8 percent of all visits.

Although the popularity of ethnic food with 45 to 54-year-olds is most pronounced at upscale restaurants, total orders for pasta, Mexican and Asian dishes were up approximately 40 percent between 1982 and 1987. Pizza orders jumped by nearly 50 percent. In addition, food items that may be regarded as more healthful also showed strong growth. Nonfried chicken orders advanced nearly 30 percent, and main-dish salad orders increased by 36 percent. In fact, 45 to 54-year old consumers accounted for more than one-quarter of the total growth in nonfried chicken and main-dish salad orders.

Nutrition concerns high

The popularity of healthful menu items is not surprising considering the age of this consumer group. Surveys indicate that 45 to 54-year-olds are at a point in their lives at which diet is increasingly important.

Accordingly, three-quarters of the males between the ages of 45 and 54 surveyed in the association study *Consumer Nutrition Concerns and Restaurant Choices* said they restricted their intake of cholesterol and fat. Eighty-one percent consumed fiber, and 61 percent controlled their intake of salt. Of the females surveyed, 90 percent said they restricted salt in their diets, and 70 percent controlled their consumption of fat and cholesterol.

Although this age group may not be open to all healthful food concepts, especially ones that feature nontraditional restaurant food, diet and nutrition can be effective selling points. Another way to appeal to these consumers' health concerns might be by honoring special diet requests, such as cooking without salt or substituting corn oil for butter when sauteeing.

—Laurence Greenberg

New wage and benefits study

Questions frequently asked by restaurant operators include: Am I paying my unit managers enough? How large a bonus should I offer my food and beverage director? How much does a vice president of marketing make? What changes are anticipated in benefits programs over the next two years? Restaurateurs faced with these types of compensation and benefit questions will find assistance in the new ***National Restaurant Association Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987.***

A wealth of compensation information for 23 executive and salaried positions in the foodservice industry is now available, based on a member survey conducted by the association in cooperation with the national accounting and consulting firm Laventhol and Horwath.

Median base salary and median bonus data are presented for each position, together with upper and lower quartile figures. Compensation and bonus information for every position is available. This information is broken down by a variety of parameters, such as type of restaurant, scope of operation and sales volume. In addition, information on industry perquisites, vacation policy and benefits program changes is also presented in the report.

Using this study, restaurateurs can compare their own compensation policies and practices with those of companies having similar characteristics.

Base salaries

According to the 1987 survey, median annual base salaries ranged from $76,500 for the position of chairman of the board to $15,600 for manager trainees.

Among the vice president positions, compensation levels varied dramatically, depending upon the specific area of responsibility. Median annual base salaries ranged from $30,000 for the vice president of personnel/human resources to $53,000 for the vice president of finance.

A review of the various compensation breakouts for the vice president positions shows that the organization's scope of operation and sales volume are important factors in determining compensation levels. For example, the median annual base salary for the position of vice president of operations was $36,000 for organizations operating on a local basis compared with $75,000 for organizations operating internationally. For foodservice operations with an annual sales volume of less than $1,000,000, the median base salary was $25,000 for a vice president of operations. The salary figure jumped to $66,000 at operations with an annual sales volume of $10,000,000 or more.

Unit manager compensation information available

The association survey covers compensation for more than 33,000 unit managers and assistant unit managers. The median base salary for unit managers was $24,000, and it was $18,000 for assistant unit managers.

How to order the Survey

A copy of the *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987* costs $25 for members ($50 for nonmembers). When ordering, please be sure to include payment plus a 10 percent shipping and handling fee and any applicable tax. Washington, DC, residents must add a 6 percent sales tax. Illinois residents must add 7 percent and Chicago, Illinois, residents must add an additional 1 percent, making their total tax 8 percent. No purchase orders, please.

You may charge orders by including name of charge card, name of cardholder, card number, expiration date and signature. Credit card telephone orders are also accepted. Call the National Restaurant Association at (800) 424-5156 (toll-free) or (202) 331-5900. Checks or money orders should be sent to the National Restaurant Association, 1200 Seventeenth Street, N.W., Washington, DC 20036-3097. Please specify number CS155 when ordering.

Foodservice industry compensation for salaried employees and executives 1987

On the low end of the scale are management trainees, assistant unit managers. On the high end of the scale are the chairman of the board and president

Position	**Total number of positions**	**Median annual base salary**	**Total number of positions**	**Median annual bonus**[1]
Owner	1,344	$42,000	365	$15,000
Chairman of the Board	112	76,500	34	40,000
President	560	55,000	195	20,000
Vice President of:				
Operations	548	45,000	277	10,000
Finance	156	53,000	68	10,000
Marketing	171	42,000	64	9,900
Personnel/ Human Resources	147	30,000	51	6,000
Distribution/ Purchasing	113	34,000	43	6,000
Treasurer	177	26,000	52	10,000
Controller	361	32,000	107	4,000
Training director	137	32,000	40	6,000
Food and beverage director	504	30,000	146	4,650
Banquet manager	305	19,500	86	4,000
Unit manager	14,339	24,000	10,672	4,000
Assistant unit manager	19,127	18,000	9,118	2,000
Night manager	1,487	18,200	431	1,250
Manager trainee	3,820	15,600	110	1,200
Dining room manager	1,216	18,950	521	1,500
Kitchen manager	1,826	19,500	904	1,500
Executive chef	560	30,441	161	3,600
Chef	1,398	23,000	424	2,000
Regional manager	872	40,500	330	6,000
District manager	1,580	35,000	1,110	6,350

[1] *Only for positions reporting annual bonus*

Source: National Restaurant Association, *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987*, 1988.

Compensation for unit manager

Median salaries are higher for restaurants with greater sales and for full-menu restaurants

	Median annual base salary	**Median annual bonus***
By sales per restaurant		
Less than $500,000	$19,000	$3,000
$500,000-$999,999	22,000	3,500
$1,000,000 to $1,999,999	25,800	5,000
$2,000,000 and over	33,000	6,000
By type of restaurant		
Full-menu/tableservice	$26,000	$4,000
Limited-menu/tableservice	22,000	4,425
Limited-menu/no tableservice	21,000	3,000
Cafeteria/full-menu	25,000	3,000
Other	21,900	4,034

**Only for positions reporting annual bonus*

Source: National Restaurant Association, *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987, 1988.*

Most and least often offered perquisites

Most frequently offered
- Company-furnished meals
- Major medical insurance
- Medical/surgical insurance
- Health and accident insurance
- Professional seminars

Least frequently offered
- Financial services
- Guaranteed sales price of home
- Legal services
- Charitable contributions matched
- Mobile car telephone

Source: National Restaurant Association, *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987, 1988.*

The top five changes in benefit programs

Made in 1987
- Improved medical coverage
- Improved dental coverage
- Instituted profit-sharing
- Improved group life/health insurance
- Instituted incentive bonus program

Planned for next two years
- Provide profit-sharing
- Offer an incentive bonus program
- Improve health insurance
- Institute a pension plan
- Establish a 401-K plan

Source: National Restaurant Association, *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987, 1988.*

The median annual base salary for unit managers increased as the annual sales per restaurant rose. Unit managers working at a restaurant with annual sales of less than $500,000 received a median base salary of $19,000, compared with $33,000 at a restaurant with annual sales of $2 million or more.

Median annual bonuses for unit managers also increased as sales per restaurant increased. The median annual bonus for a restaurant with sales of $2 million or more was $6,000—double that for a restaurant with sales of less than $500,000.

When unit manager salaries were examined by type of restaurant, the individuals at full-menu/tableservice establishments received the highest median annual base salary: $26,000. Unit managers at limited-menu/no-tableservice operations received a lower $21,000.

As would be expected, assistant unit managers received lower compensation levels than did unit managers. Of the 19,127 assistant unit manager positions reported in the survey, the median annual base salary was $18,000 or $6,000 a year less than the unit manager base salary. For those assistant unit managers reporting an annual bonus, the median annual bonus was $2,000 compared with $4,000 for unit managers.

Company meals are top perk

In addition to base salary and bonus information, the association survey also asked respondents to indicate if their company offered each of 35 perquisites to the majority of salaried employees and executives. Respondents were asked to indicate whether the perquisite was paid completely or partially by the company.

Not surprisingly, company-furnished meals were the most frequently offered perquisite. Almost 7 out of 10 respondents (68.4 per-

Profile of contributors

A total of 1,508 surveys were used to produce the *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry—1987.* These respondents represented 19,200 units, which employed more than 763,000 workers and reported total annual sales of $23 5 billion.

The response by association members to the 1987 survey was nearly triple that for three previous compensation studies. This large response rate allows the association report to provide more detailed data on base salaries, annual bonuses, and perquisites.

The following is a profile of the typical contributor to the 1987 compensation and benefits survey:

☐ Privately-held corporation

☐ Full-menu/tableservice operation

☐ Operates locally

☐ Has annual sales of $1,500,000 and

☐ Employs 55 people

How the positions are analyzed. All 23 positions covered by the survey are analyzed by each of the following categories and breakouts:

☐ **Type of organization**
Sole proprietorship
Partnership
Public corporation
Private corporation

☐ **Type of restaurant**
Full-menu/tableservice
Limited-menu/tableservice
Limited-menu/no tableservice
Cafeteria/full menu

☐ **Scope of operation**
Operates locally
Operates in several localities within one or two states
Operates within one region of the country
Operates within the United States
Operates internationally

☐ **Annual sales volume**
Less than $1,000,000
$1,000,000—$1,999,999
$2,000,000—$4,999,999
$5,000,000—$9,999,999
$10,000,000 and over

☐ **Sales per restaurant**
Less than $500,000
$500,000—$999,999
$1,000,000—$1,999,999
$2,000,000 and over

cent) indicated that their company provided meals free. Another 18 percent noted that their company partially paid for meals.

Other popular perquisites included health, accident, medical, and major medical insurance, and paying for employees to attend professional seminars. The least common perquisites included legal and financial services and guaranteeing the sales price of an employee's home when the individual relocates. Just 6 percent of the respondents indicated that their company paid for the cost of a mobile car telephone.

Medical and dental coverage improvements

Participants in the survey were also asked to indicate any significant changes to their benefits programs in the past year and any changes anticipated for the next two years. Approximately one out of every five respondents indicated changes.

Among those respondents reporting significant changes to their benefits program in the last year, improvements in medical and dental coverage were the top two changes indicated. The institution of profit-sharing programs and incentive bonus programs were also popular.

When asked to comment on changes foreseen over the next two years, the initiation of some form of profit-sharing program was the most frequent response. Almost one out of every five respondents (19.2 percent) indicating a benefit program change noted that a profit-sharing program would be developed sometime within the next two years.

—Hudson Riehle

Foodservice employment to top 11 million by 2000

According to Bureau of Labor Statistics (BLS) projections, the foodservice industry is expected to employ 11.4 million workers by the year 2000, up from 8.2 million in 1986. This makes the foodservice industry one of the leading generators of job growth in the United States.*

The eating and drinking place industry is one of the nation's top employers and is expected to continue to be so through the end of the century. Employment in the eating and drinking place industry, which accounts for most of foodservice industry workers, is expected to increase by more than 40 percent between 1986 and 2000. This translates into a 2.6 percent annual rate of growth. Among retail trade industries, eating and drinking places are expected to boast the highest employment growth rate, behind miscellaneous shopping goods stores. In contrast, grocery stores and department stores are projected to increase their employment by only 1.5 percent and 1.3 percent annually between 1986 and 2000. Manufacturing industries are expected to suffer job losses during this period, with employment falling at a 0.3 percent annual rate. This is part of the continuing shift in the U.S. from a manufacturing

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**This figure is a combination of eating and drinking place industry employment and individuals employed in foodservice occupations working in other industries.*

[illegible]

Increases in employment are expected for all occupations

Occupation	Employment (000s) 1986	2000	Percent change
Administrative support employees, including clerical	105	130	24%
Food preparation and service workers	4,743	6,719	42
• Bartenders	253	370	46
• Bread and pastry bakers	31	49	58
• Cooks and chefs	958	1,335	39
Restaurant	382	559	46
Institution or cafeteria	30	58	93
Short order and fast food	546	718	32
• Food preparation and service workers, fast food	1,206	1,588	32
• Food preparation workers, except fast food	454	665	46
• Hosts/hostesses	143	207	45
• Waiters/waitresses	1,347	1,971	46
• Waiter/waitress assistants	285	437	53
• All other foodservice workers	66	97	47
Managerial and management-related workers	359	541	51
• Foodservice and lodging managers	197	302	53
• Other managers and support workers	162	239	48
Marketing and sales workers	304	450	48
• Cashiers	259	379	46
All other workers	368	525	43
TOTAL	**5,879**	**8,365**	**42%**

**Only includes workers in SIC code 58 and does not include workers in foodservice segments such as institutional and lodging*

Source: U.S. Department of Labor, Bureau of Labor Statistics based economy to a service-based one.

Service industries, in fact, will be the foodservice industry's major competition for workers during the next decade. The entire services sector is expected to grow by more than 10 million workers, with many service-oriented industries showing dramatic employment growth. Business services industries are projected to see employment advance 3.9 percent each year while health services industries should see their employment level rise by 2.9 percent annually. Hotel and lodging place employment is forecast to increase by more than half a million workers, with a growth rate similar to that of eating and drinking places.

Fast food jobs are expected to show the lowest growth among foodservice occupations.

Restaurant cooks lead occupations in growth

According to BLS, foodservice occupational employment is forecast to advance 36 percent between 1986 and 2000. Leading that growth are jobs for restaurant cooks and waiter/waitress assistants. They are expected to increase in number by 46 percent over the 14-year period. Waiter and waitress jobs should account for the greatest share of new foodservice occupations—nearly 30 percent or more than 700,000 workers.

Waiter and waitress jobs should account for the greatest share of new foodservice occupations.

In contrast, fast food jobs are expected to show the lowest growth among foodservice occupations, behind institutional or cafeteria cooks. Still, fast food preparation and service occupations are projected to gain nearly a half million workers. Bread and pastry bakers, hosts and hostesses, and bartenders are expected to be jobs of strong growth, with employment gains forecast in the 40 percent range.

Who will fill these jobs?

At present, many operators are having difficulties trying to recruit employees, and some are operating short-staffed. With a 40 percent increase in employment predicted by BLS for the eating and drinking place industry over the next 14 years, who is going to fill these job vacancies?

BLS expects these positions to be filled by a growing civilian labor force that is forecast to expand by 21 million persons between 1986 and 2000, down from the gain of 31 million persons between 1972 and 1986. On an annual basis, employment growth is expected to slow to a 1.2 percent rate. Growth was 2.2 percent annually between 1972 and 1986.

The labor force of 2000 will have a larger percentage of older workers

	Civilian Labor Force			
	actual 1986 (000s)	**percent of total labor force**	**projected 2000 (000s)**	**percent of total labor force**
Total, 16 and older	117,837	100.0%	138,775	100.0%
Men	65,423	55.5	73,136	52.7
16 to 19	4,102	3.5	4,501	3.2
20 to 24	8,149	6.9	7,005	5.0
25 to 34	19,383	16.4	16,559	11.9
35 to 44	15,029	12.8	20,133	14.5
45 to 54	9,994	8.5	16,332	11.8
55 to 64	6,954	5.9	7,238	5.2
65 and older	1,812	1.5	1,368	1.0
Women	52,414	44.5	65,639	47.3
16 to 19	3,824	3.2	4,379	3.2
20 to 24	7,293	6.2	6,746	4.9
25 to 34	15,209	12.9	15,098	10.9
35 to 44	12,204	10.4	18,438	13.3
45 to 54	7,746	6.6	14,220	10.2
55 to 64	4,940	4.2	5,732	4.1
65 and older	1,198	1.0	1,026	0.7

Source: U.S. Department of Labor, Bureau of Labor Statistics

Middle-aged female workers increase

The civilian labor force in the year 2000 will be decidedly older than at present as the number of persons in the labor force between the ages of 35 and 44 and 45 and 54 increases by 42 and 72 percent, respectively. In contrast, workers aged 20 to 34 are projected to decline in number between 1986 and 2000. By the start of the 21st century, persons 35 to 54 years of age are forecast to represent nearly half of the civilian labor force, up significantly from a 38 percent share in 1986. At the same time, 16 to 24-year-olds should account for a smaller share of the labor force in 2000—16 percent compared with 20 percent in 1986.

During the same period, females are expected to enter the labor force at double the rate for males. Although males will still account for the majority of U.S. workers, that percentage is expected to decline from 56 percent in 1986 to 53 percent in 2000. Of the 21 million new additions to the labor force between 1986 and 2000, 63 percent will be females.

Employment should increase in all foodservice occupations in coming years

Occupation	**Employment (000s) 1986**	**2000**	**Percent change**
Bread and pastry bakers	114	162	42%
Bartenders	396	553	40
Cooks and chefs	1,500	1,991	33
• Institutional or cafeteria	389	457	17
• Restaurant	520	759	46
• Short order and fast food	591	775	31
Food preparation and service workers, fast food	1,500	1,949	30
Food preparation workers except fast food	949	1,273	34
Hosts/hostesses	172	245	42
Waiters/waitresses	1,702	2,454	44
Waiter/waitress assistants	433	631	46
All other foodservice workers	338	447	32
TOTAL	**7,104**	**9,705**	**36%**

**Does not include professional, technical or sales workers*

Source: U.S. Department of Labor, Bureau of Labor Statistics

The racial and ethnic makeup of the workforce is changing

	Labor force* 1986	**2000**	**Annual growth rate**
Total	117.8	138.8	1.2%
Black	12.7	16.3	1.8
Hispanic	8.1	14.1	4.1
Asian and other	3.4	5.7	3.9

**figures in millions*

Source: U.S. Department of Labor, Bureau of Labor Statistics

Minorities behind labor force growth

One of the most dramatic changes occurring in the civilian labor force is the sharp growth in the presence of minorities. Between 1986 and 2000, nearly six of every 10 new entrants into the labor force are expected to be Black, Hispanic, Asian or members of another minority group. Because of higher birth rates and/or immigration, minorities are expected to enter the labor force at annual rates that far outstrip those of the total population. Asians and Hispanics are each projected to increase their presence in the labor force at a 4 percent annual rate, more than triple the overall U.S. rate of 1.2 percent.

Foodservice response to job growth

In order for the foodservice industry to fill the estimated 3 million new positions that BLS projects will be created between 1986 and 2000, it would have to employ 15 percent of the new entrants to the U.S. civilian labor force. In 1986, the industry accounted for only 7 percent of the civilian labor force. But in recent years, eating and drinking places have been responsible for a larger share of new employment, accounting for 14 percent of the 9.2 million jobs created between 1980 and 1986. If the foodservice industry is to meet BLS projections, it will need to continue to attract this large a share of workers.

In doing so, the foodservice industry labor force of 2000 will be a very different one from what it was in 1986, with fewer teens and young adults, more minority workers and a generally older workforce. Already the foodservice industry has begun to face these changes. The median age of eating and drinking place employees is on the rise after falling dramatically from 1970 to 1980. Teens, whose representation in the industry workforce dropped from 32 percent in 1978 to 25 percent in 1986, could make up less than 20 percent of eating and drinking place industry employment by the late 1900s.

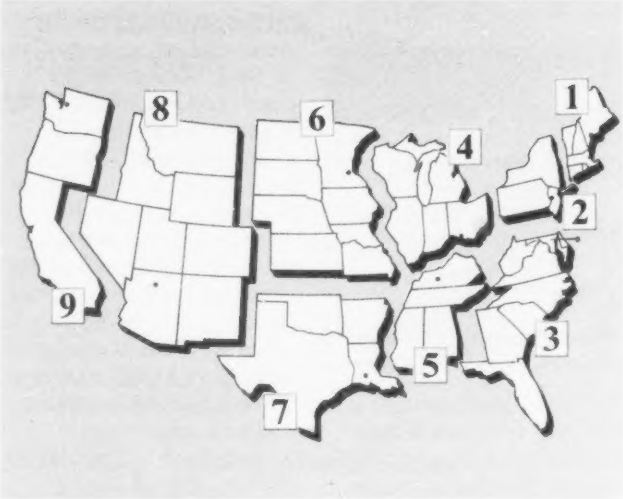
The racial and ethnic makeup of the industry's workforce is changing as well, although proportions vary throughout the country depending upon the racial and ethnic makeup of local populations. The percentage of Blacks working in the eating and drinking place industry increased from 8.1 percent in 1980 to 10.3 percent in 1986. During that same time, the number of Hispanic workers grew from 6.7 to 8.2 percent of the industry workforce.

One trend occurring in the foodservice industry that runs counter to movements in the civilian labor force is the increasing share of male employment. Although females still constitute the majority of employees in the industry, male employment has recently been growing at a faster rate. From 1980 to 1986, the proportion of women in eating and drinking places dropped two percentage points, from 60 to 58 percent. Although women are expected to account for more than 60 percent of U.S. labor force growth into the next century, they will likely account for less than that in foodservice.

In sum

Because the foodservice industry is one of the leading generators of job growth in the nation, it will have many positions to fill between now and the year 2000. As evidenced by changes that are already occurring, the industry labor force will be very different by the turn of the century. In order to take advantage of these changes, restaurateurs should focus their recruitment strategies on population groups that are growing in number, such as older workers and minorities.

—Laurence Greenberg



Location: South Portland, ME
Association members: Ed McBride, Lynda McCann, Steve Beaulieu, Nancy Hybers
Operation: Channel Crossing Restaurant
Profile: Fine dining restaurant specializing in seafood
In business: 4 years
Seats: 120
Meals served: Lunch, dinner

"Business is starting to pick up," says **Nancy Hybers**, general manager of South Portland's Channel Crossing Restaurant. "Traffic becomes steady in the springtime, and summer is off the wall." Portland's economy, she adds, is strong, with lots of new restaurant openings.

The Channel Crossing, located directly across the harbor from Portland, offers customers a beautiful view of Maine's largest city. Although the restaurant opened as a steakhouse, its emphasis has gradually moved toward seafood. The daily chef's special is often a Cajun-style dish. Customers who save room for dessert often opt for the restaurant's famous mud pie, a chocolate cookie crust filled with mocha chocolate ice cream, fudge, whipped cream and slivered almonds.

Location: Trenton, NJ
Association member: Pete Lorenzo
Operation: Lorenzo's Cafe
Profile: Historic upscale restaurant
In business: Over 150 years
Seats: 100
Meals served: Lunch, dinner

"Business has been good, although it always slacks off a bit during Lent," says **Tony Merlino**, owner of Lorenzo's Cafe. "Trenton's really making a comeback," he adds, "and there's lots of building going on."

Lorenzo's, located right across from the Trenton train station, has been a landmark in the New Jersey state capital since the 1830s. The restaurant has been popular with politicians and celebrities throughout the decades. It also draws a steady crowd of local professionals and patrons from as far away as Philadelphia and New York.

According to Merlino, Lorenzo's Cafe has retained many of its original features from "the horse and buggy days," including the old-fashioned bar and woodwork, and a spitoon with running water in the lounge. "The old ceilings are the only element we covered up," adds Merlino, "because authentic tin ceilings become tragic with noise when there are more than 10 people in the room."

Lorenzo's menu is varied. It includes veal, pork chops, chicken and three or four fresh fish dishes that change daily. Aged meats, such as sirloin and fillets, are signature items, as are the homemade desserts.

Location: California, MD
Association members: Daniel Rebarchick, Wayne Vanderslice
Operation: Lenny's Restaurant
Profile: Fullservice restaurant with a continental menu
In business: 36 years
Seats: 140
Meals served: Breakfast, lunch, dinner

"Customers are starting to come back after the winter drought," says **Dan Rebarchick**, chef/owner of Lenny's Restaurant. The restaurant, located on Maryland's scenic eastern shore, has a strong base of local clientele that helps offset the area's seasonal economy. "The tourists," says Rebarchick, "are gravy."

Lenny's "is a mom-and-pop restaurant with the quality of an upscale," says the owner proudly. A piano player entertains on Friday and Saturday nights and also during Sunday brunch.

Rebarchick's menu ranges from oysters, clams and local bay fish to veal and prime ribs. The popular fresh seafood basket is filled with oysters, clams, shrimp and, says Rebarchick, "just about anything else fresh we can throw into it."

Location: Montgomery, OH
Association member: Theodore Gregory
Operation: Montgomery Inn
Profile: Midscale restaurant specializing in ribs
In business: 37 years
Seats: 480
Meals served: Lunch, dinner

At the Montgomery Inn, Ohio's highest-grossing independent restaurant, the line of customers "just doesn't quit," says owner **Ted Gregory**. "We're up 20 percent over last year," he adds, "even though the economy is slow in Cincinnati."

The nationally known inn, which is located 14 miles outside of Cincinnati, specializes in loin back ribs that are cooked in a special sauce developed by Gregory's wife. Because he goes through seven to eight tons of ribs each week at the restaurant, Gregory buys the meat in bulk to avoid the dangers of price fluctuations. His most recent purchase was 1.5 million tons.

Of the 2,400 meals served on a typical Saturday night, 2,000 usually are for ribs or combinations of ribs with shrimp, chicken or duck.

Gregory's customers include many celebrities, such as the many professional athletes who pass through Cincinnati, but the reasonable prices—$12.95 for a whole slab of ribs is the menu's high end—make the Montgomery Inn accessible to the masses. "Give the people something good to eat without robbing them, and they'll come back," says Gregory.

5 EAST SOUTH CENTRAL

Location: Madisonville, KY
Association member: Marcie Burdon
Operation: Sunshine Cafe
Profile: Fullservice family restaurant
In business: 1 year
Seats: 146
Meals served: Breakfast, lunch, dinner

"With the weather starting to break, business is really coming around," says **Marcie Burdon**, manager of the Sunshine Cafe. The comfortable country restaurant, located in western Kentucky, attracts lots of regular customers with its varied menu, packed with 150 items that can be ordered 24 hours a day. "Some customers," says Burdon, "are in here six or seven times a week. They become your family."

Menu offerings at the cafe range from bacon and eggs and Belgian waffles to catfish, meatloaf and homemade chicken and dumplings. Two new items that have been moving well are Cajun chicken and chicken marinated in a honey lemon sauce.

6 WEST NORTH CENTRAL

Location: St. Paul, MN
Association member: Julie Obermiller
Operation: Muffuletta in the Park
Profile: Casual French-style brasserie
In business: 11 years
Seats: 150; 250 with outside deck
Meals served: Lunch, dinner

"Business has been wonderful," says **Julie Obermiller**, manager of Muffuletta in the Park, a casual brasserie-style restaurant housed in the Tudor-style building in the St. Anthony Park section of St. Paul. "Our economy is good, and local restaurants seem to be doing well."

The restaurant, which serves an eclectic selection of French and Italian cuisines, is named after the muffuletta sandwich, which originated on the border of France and Italy and is made on a round loaf of bread with Italian cold cuts, cheese, lettuce, cracked olives and seasonings.

According to Obermiller, the typical Muffuletta customer is a sophisticated diner, such as the professors from the four surrounding colleges.

Specialties of the house include breast of chicken stuffed with pistachio, walnuts and raisins and topped with a marsala sauce; fettucine carbonara; veal buttuta, marinated in Italian seasonings and grilled; and tortellini baronessa, cooked with mushrooms, prosciutto and cheese in an alfredo sauce.

[illegible]

Location: Breaux Bridge, LA
Association member: Kerry Boutte
Operation: Mulates
Profile: Cajun restaurant and nightclub
In business: 8 years
Seats: 289
Meals served: Breakfast, lunch, dinner

"Business is terrific," says **Nancy Broussard**, public relations manager at Mulates, a well-known Cajun restaurant located in Breaux Bridge, "the crawfish capital of the world." The restaurant draws a steady crowd of tourists beginning in mid-February, but it also relies on local families who come to eat traditional foods and dance to live Cajun music.

Mulates was a historic nightclub and dancehall, but not a restaurant, until owner Kerry Boutte opened the cafe in 1980, retaining live music seven nights a week and also at lunch. Mulates' well-worn dancefloor, says Broussard, "has seen 50 years of dancing," and the bandstand, backed by a 3-D mural of a swamp scene, is often graced by some of the most venerated Cajun musicians.

The menu at Mulates, as authentic as the entertainment, is dominated by seafood cooked in the traditional Cajun style. Many of the items are fried in cholesterol-free cooking oil.

[illegible]

Location: Williams, AZ
Association member: Lawrence Sanchez
Operation: Rod's Steak House
Profile: Midscale steakhouse
In business: 8 years
Seats: 150
Meals served: Lunch, dinner

At Rod's Steak House, located one mile away from the Grand Canyon on Interstate 40, business is down an average of 6 or 7 percent compared to last year. Owner **Lawrence Sanchez** blames Arizona's unstable political situation for the decline. "The tours and conventions are avoiding Phoenix," he says, "and those people usually visit the Grand Canyon." Because of the devalued American dollar, however, Sanchez believes that this summer will bring lots of tourists from Europe and Japan. "It should be as good as or better than last summer, which was the best we've had," he speculates.

Rod's specializes in mesquite-broiled steaks served at reasonable prices. An 11-ounce cut served with a potato, soup or salad and rolls and butter, for example, costs $10.95.

According to Sanchez, Rod's western motif, location and food have made the 150-seat steakhouse a favorite stop for U.S. and foreign tourists. "I get letters from all over, like Brazil, England and Holland," he says proudly. Many of the letters, he adds, are requests for copies of his distinctive steer-shaped menu.

[illegible]

Location: Bothell, WA
Association member: Al Bayer
Operation: Alexander's Restaurant
Profile: Midscale family restaurant
In business: 17 years
Seats: 240
Meals served: Breakfast, lunch, dinner

"We're 10 percent above last year," says **Al Bayer**, owner of Alexander's Restaurant, located north of Seattle in Bothell, Washington. "The economy is good, and we recently upgraded the place, making it cheerier and more attractive," he says. Another business-booster, adds Bayer, is a year-old promotion in which "$4 off" coupons come up on every fifth or sixth register receipt. This promotion, similar to those used at some supermarkets, "has helped us tremendously," says Bayer.

Alexander's Main Street location and senior citizens' and children's specials bring in lots of families and regulars. The restaurant opens at 5:30 a.m. for breakfasts that include eggs benedict and homemade waffles and pancakes.

—David Slater

West meets East?

"East meets West"—the use of Asian culinary characteristics in Western foods—is one of America's most-talked-about food trends. In the Little Tokyo section of Los Angeles, however, the trend seems to have swung the other way, manifesting as Japanese spaghetti houses.

The Oriental flavor and look is revealed in unusual pasta toppings, such as raw egg, sea urchin and curry; or enoki mushrooms, soy sauce and cod roe with a pat of butter on top. Even the more traditional tomato sauces used in these spaghetti houses tend to be unlike anything found in an Italian momma's kitchen. Soy sauce and hot pepper sauce to spice the spaghetti are usually found on the tables, and some restaurants serve pickled condiments, too. *—Los Angeles Times*

Brave new foods

There are more new foods on the horizon, thanks to the efforts of various state agricultural experiment stations. Here is a preview from a recent conference:

☐ Supercarrots, a new variety with 50 percent more carotene than average.

☐ Barley breadsticks with extremely high dietary fiber content. Researchers say the sticks show promise as a dietary means of lowering blood cholesterol levels.

☐ Ocean nuggets, tasty fish balls that scientists made from underused species, such as red hake with squid, squid with pollack or shark with pollack.

☐ Lean pork from wild boar, a species whose meat has been unacceptable to diners because of a strong gamey flavor. Michigan State University researchers developed a way to remove delta 16 steroids, the offending scent-makers, thus producing flavorful, lean meat.

—Edelman Food Update

American students win prizes in British Open

A team of students from Johnson and Wales College recently won 23 prizes in the British Open Cooking Championship in London, the major cooking event in the United Kingdom. They were the first American team to enter the contest. The British Open serves as a warm-up for the International Culinary Olympics, which will be held in Frankfurt, Germany, next fall.

The Johnson and Wales team competed in the junior level, or under-21 division, at the event. The students won three challenge trophies, the highest possible award, in the avocado, egg and pasta competitions. They also took four silver medals in the cook-and-serve category, which required teams of a cook and a waiter to prepare and serve a menu chosen by the judges to two guests from the audience.

To prepare themselves, the six third-year students at the Providence, Rhode Island, cooking school had to learn and relearn uniquely British skills and lingo, said team manager Noel Cullen, the director of operations for the Johnson and Wales Culinary Arts Division. He trained his students to cook in the European style in the eight weeks before the open. "They had to learn different ways of preparing meat, fish and poultry," said Cullen. "They were learning names like courgette for zucchini and mange-tout for snow peas. The etiquette was different. There are different ways of using a knife. The basic butchery cuts are different."

—New York Times

How consumers read menus

According to 1,012 consumers in a recent Gallup Survey on the arrangement of menu items, consumers spend an average of two minutes looking at a menu. Other findings:

☐ Two or three-page menus are more popular than single-page menus, but the number of pages does not influence whether customers order courses in addition to the entree.

☐ When faced with a list of six or more items, people are more likely to order from the top.

☐ When considering courses other than entrees, consumers are more likely to order items centered on the page.

☐ When ordering desserts, most respondents prefer a dessert cart rolled to the table. Least liked: separate dessert menu.

—Briefing

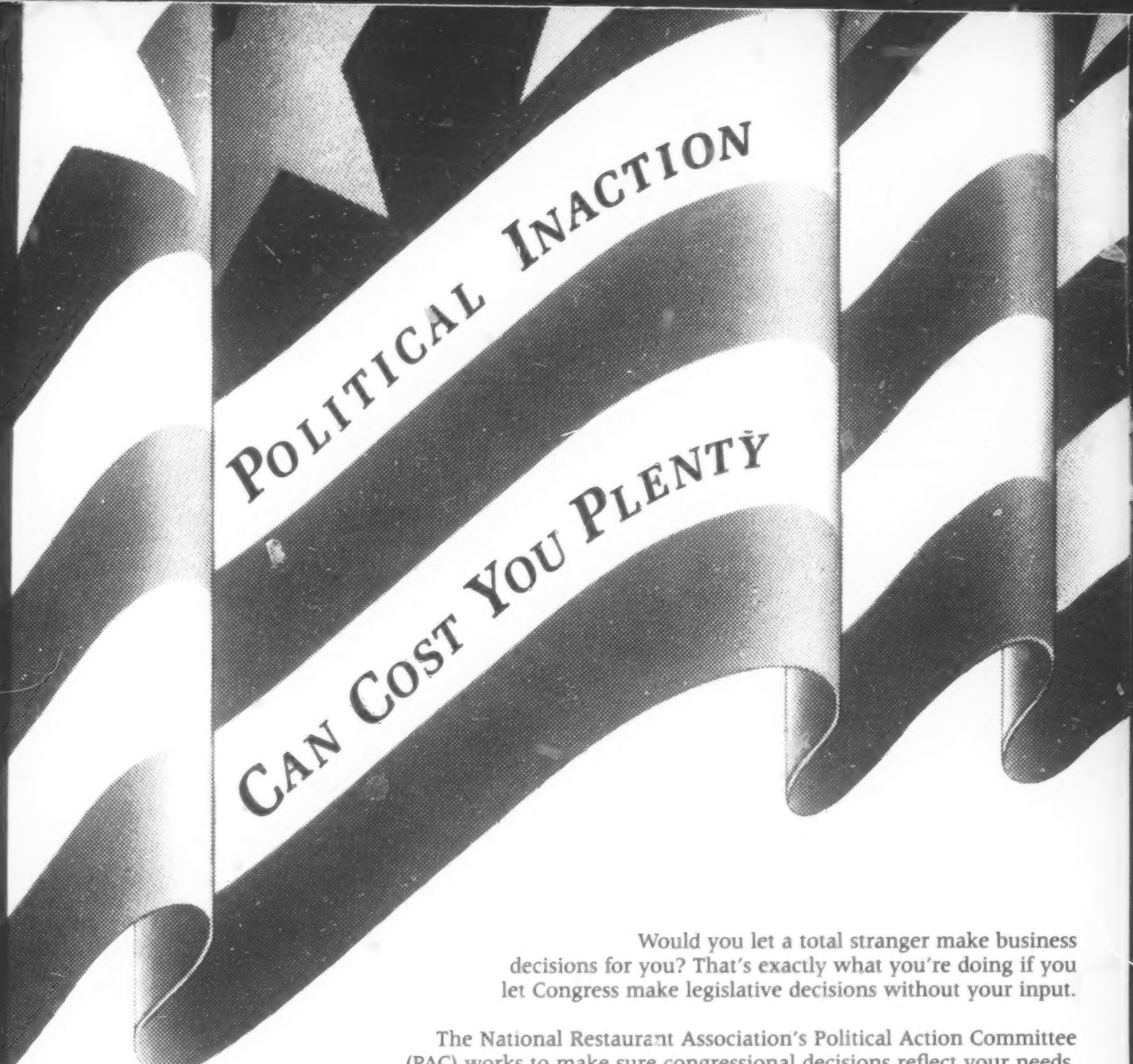
Money Plus at Central Park

During the first two weeks of February, customers at Chattanooga, Tennessee-based Central Park U.S.A. (23 units) got something extra with their food orders: Money Plus.

With every purchase at the drive-thru-only hamburger chain, customers received a Money Plus coin with a gold square. When the customer scraped off the gold, the denomination of the coin appeared—5 cents, 10 cents or 25 cents. The coins were redeemable for purchases at any Central Park location during the month of February.

According to Central Park President Richard P. Reinhard, Jr., "customers loved" the Money Plus promotion. It will probably be repeated in December.

—Central Park U.S.A.



Would you let a total stranger make business decisions for you? That's exactly what you're doing if you let Congress make legislative decisions without your input.

The National Restaurant Association's Political Action Committee (PAC) works to make sure congressional decisions reflect your needs.

National Restaurant Association's PAC conveys your input to Congress by directing member contributions to candidates who show they understand and support restaurant industry issues.

Take *action* now. Fill out the enclosed *Solicitation Authorization Form* between pages 46 and 47.

POLITICAL ACTION TODAY . . . BETTER BUSINESS TOMORROW

**National Restaurant Association
Political Action Committee**

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 NO. 5 MAY 1988

RESTAURANTS

A8200-1
6/22/88

ARE GROCERS *CARTING AWAY* RESTAURANT CUSTOMERS?

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management
5/21 Chicago, IL
6/14 Los Angeles, CA
6/15 Riverside, CA
6/28 Portland, OR
6/29 Seattle, WA
8/16 Oakland, CA
8/17 San Diego, CA
8/30 St. Louis, MO

Increasing Sales: Effective Front-of-the-House Management
5/19 Hartford, CT
5/22 Chicago, IL
6/21 Burlington, VT
8/23 Greenville, SC

Kitchen Management
5/21 Chicago, IL
6/6 Boston, MA
6/7 Albany, NY
6/13 Washington, DC
7/11 Denver, CO
7/25 Minneapolis/St. Paul, MN
7/26 Madison, WI
8/8 St. Louis, MO
8/9 Lincoln, NE
8/29 Chicago, IL
8/30 Cleveland, OH

Employee Motivation
5/21 Chicago, IL
5/24 Omaha, NE

Tools for Training
5/22 Chicago, IL
6/21 Austin, TX
6/22 New Orleans, LA
8/31 Riverside, CA

Food Production Courses

Fish and Seafood
8/29 Denver, CO
8/31 Philadelphia, PA

Soups and Sauces
5/19 Savannah, GA
5/22 Chicago, IL
6/13 Grand Rapids, MI
7/19 Seattle, WA

Foodservice Management Courses

Banquet Management
6/7 Houston, TX
6/8 Dallas, TX
7/20 Cleveland, OH
7/21 Pittsburgh, PA

Beverage Management
5/21–22 Chicago, IL
6/28–29 San Francisco

Do-It-Yourself Public Relations
6/8 Tysons Corner
6/9 Baltimore, MD
6/14 Pittsburgh, PA
8/10 Denver CO
8/11 Arlington, TX

Food Cost Management
5/22 Chicago, IL
7/13 Newark, NJ
7/14 New York, NY
8/15 Detroit, MI
8/16 Houston, TX

Hiring in a Tight Labor Market
5/22 Chicago, IL
7/18 Eugene, OR
8/24 Boston, MA
8/25 Hartford, CT

Menus that Sell!
5/21 Chicago, IL
6/16 Columbia, SC

Negotiating for and Financing Foodservice Facilities
5/21–22 Chicago, IL

Off-Premises Catering
5/21–22 Chicago, IL
8/3 Atlanta, GA
8/9 Monterey, CA

Operational Analysis
5/21–22 Chicago, IL

Planning and Implementing a Restaurant Marketing Strategy
5/21–22 Chicago, IL

Planning Successful Buffets
5/21 Chicago, IL
7/18 Knoxville, TN
8/8 Pittsburgh, PA
8/22 Lancaster, PA

Profitability
5/22 Chicago, IL

Restaurant Design
5/21–22 Chicago, IL

Restaurant Real Estate Site Selection
5/21–22 Chicago, IL

Wine Server Training
6/21 Chicago, IL
6/22 Cincinnati, OH
7/28 Boston, MA
8/23 Seattle, WA
8/25 Portland, OR

1988 California Wine Workshop
9/24–30 Napa Valley, CA

For information, contact:
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PRESIDENT'S REPORT

Michael J. Grisanti, President and Chief Operating Officer
Grisanti, Inc., Louisville, KY

These past 12 months have been prodigiously eventful for the National Restaurant Association. As I complete my term as your President, I can measure the remarkable growth we have experienced this past year, and I can see just as clearly the great challenges which remain to be met.

We have certainly grown as the leading source of information in the foodservice industry. During the last year, we brought 256 seminars to convenient locations for members all across the country. No other association that I know of offers so extensive an educational program. We also offered four conferences and, of course, the incomparable annual Show.

The association continues to build its library of training videotapes, adding a new tape on wine service and another entitled "Producing Profits." In addition, we have created a packet of two videotapes that cover the AIDS issue. The first discusses how management can control situations that might arise as a result of the epidemic, and the second tells employees how the disease is passed and makes it clear that the foodservice environment is safe. These two tapes will be available through our publications department next month.

The association has been actively promoting the industry as a source of rewarding careers. More than 7,500 copies of the videotape "Ours is a Special World," which celebrates employment in the hospitality industry, were distributed to vocational guidance teachers this year. In addition, an advertisement for careers in foodservice appeared throughout the year in—*Careers, Scholastic* and *Vocational Educational Journal*—publications read by high school students and their teachers.

The association actively pursued media support for the industry viewpoint on political issues. During this year, the staff working with and through the Minimum Wage Coalition prompted 600 editorials opposing an increase in the minimum wage. These editorials have been bound into two volumes and sent to your representatives on Capitol Hill.

Similarly, an ongoing media campaign is focusing attention on the inequity of the employer-paid FICA tax on tips, recently imposed on the industry. To date, press releases and media contacts have produced 107 newspaper articles and TV and radio items on this issue. This media campaign will continue until Congress remedies the situation.

The association has seen two major government relations victories this past year. On March 29, the Senate withdrew the High Risk Occupational Disease Notification Act, which would have imposed all sorts of unreasonable liabilities and obligations on us in regard to employees who had come in contact with substances alleged to be dangerous. Calling for more realistic ways of handling this problem, the association had been instrumental in having this bill withdrawn.

Similarly, fast food labeling legislation, which would have required ingredient labels on all takeout and fast food, has been set aside. Individual companies have created more viable vehicles for conveying ingredient information to consumers. Association lobbyists were able to show legislators that the bill was unnecessary.

[redacted]

These victories notwithstanding, the industry still faces many grave challenges in regard to legislation now in Congress. Chief among these are bills concerning minimum wage, mandated health benefits and parental leave. Only strong grassroots lobbying—contact between you and your legislators—can stop these bills from becoming law.

During my administration we have taken many steps to increase grassroots activity:

1. We have doubled the number of key contacts or members who act as a liaison between the industry and their representatives. Our nationwide network is now nearing 350, and we will continue to increase the number.

2. In April, we held a "March on Washington." More than 100 operators came to the capital for a series of one-on-one meetings with their congressional representatives and senators concerning minimum wage and tip credit.

3. We established a minimum wage/tip credit hotline through which operators can send a message to Congress. To date 3,300 mailgrams have been dispatched through this service.

4. The trade press carried an open letter from me to the entire industry calling for political action to stop adverse legislation. Appearing in six major publications, this message was seen by hundreds of thousands of operators.

The association will continue to press the message about grassroots political activity until each and every member is involved in a regular program of political contact with elected officials. During this past year I have learned one very important lesson: It is not the officers, Board or staff who make an association powerful and successful; it is the membership. We have great political influence in Washington when we all speak out together on an issue.

[redacted]

And, of course, one of the greatest accomplishments of this year was the selection and purchase of a new headquarters building in Washington, DC. The staff moved into the top three floors of the National Restaurant Association building in March. The structure is both a good financial investment and the symbol of our industry's determination to make its presence felt in the nation's capital.

During the past month, 102 new members joined the National Restaurant Association. Welcome. Your participation in the association will make your business grow and will make the association more effective in its endeavors on your behalf.

Sincerely,

Michael J. Grisanti
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: GROCERY STORES ARE GAINING TAKEOUT DOLLARS

16 More people are purchasing takeout food at grocery stores than ever before—and the trend is likely to continue as supermarket operators gear their merchandising efforts towards attracting more takeout customers. This Competition Report includes important information on who is buying supermarket takeout food, what they are buying and why, as well as a sidebar on freezer-case items and how they figure into the takeout picture.

SPECIALS

10 Brewpubs: You can only get it here
As restaurateurs attempt to provide customers with unique dining experiences, brewpubs—where customers can eat and drink within view of the shining brew kettles—are perhaps the ultimate manifestation of the "you can only get it here" marketing concept.

21 1988 Great Menu Contest
The Grand Prize Winners in the 1988 Great Menu Contest reflect a return to basics.

24 Matches—A striking statement
Even though people are smoking less, the number of matchbooks taken from restaurants remains high. Because matchbooks are often considered to be a restaurant's "business card," they are an important form of advertising.

SYCAMORE
NNATI, OHIO

26 Raised floors—A design remedy
Raised floors have solved the design problem of unifying huge, cavernous spaces and making undesirable seating areas into sought-after tables where people can enjoy their privacy and "see and be seen."

28 Mail order: Selling your stamp of success
Marketing your signature items through the mail is a great way to promote your restaurant's name—and make a nice profit, too.

32 An outside board of directors can help
Making business decisions is often difficult—especially if you are alone. An outside board of advisors can provide the necessary backup to make sound choices in today's complex marketplace.

13 Rushing the growler
Today's brewpubs are rather different from the Depression-era "corner taps" where patrons "rushed the growler"—brought their pitchers to be filled with freshly brewed beer. As variations on an old theme, brewpubs in the 80s are quenching the American customer's thirst for fresh beer and hunger for "tradition-drenched" regional foods. Because brewpubs are only legal in 24 states, don't miss the sidebar that takes a state-by-state look at brewpub laws.

34 The Monterey Wine Festival—A report
The 1988 Monterey Wine Festival attracted wine buffs from all over the United States and Canada. This overview of the festival includes some important wine merchandising pointers.

DEPARTMENTS

6 Short Orders
- ☐ Disney chefs go for the gold
- ☐ From hotel kitchens to home chefs
- ☐ First forum for honor students at the Show
- ☐ CIA launches radio show
- ☐ Heathman Hotel celebrates "the dean of American cookery"
- ☐ Marketing executives to meet before Show
- ☐ The "spicy taste of America"

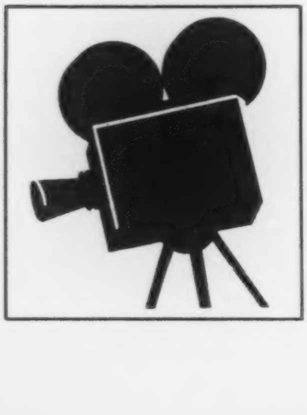
8 Washington Report
- ☐ New OSHA standard goes into effect May 23
- ☐ Minors can use expanded identity document list
- ☐ Grisanti leads "March on Washington"
- ☐ Chlorofluorocarbons are on the way out

38 Fisher's Law
- ☐ Legislative Proposals!

39 Foodservice Trends
- ☐ Fifty-five to 64-year-olds
- ☐ Good fortune for Asian restaurants

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought
- ☐ You oughta be in pictures
- ☐ Updated tocques
- ☐ Hats off to bagelbread
- ☐ Removing the junk from junk food

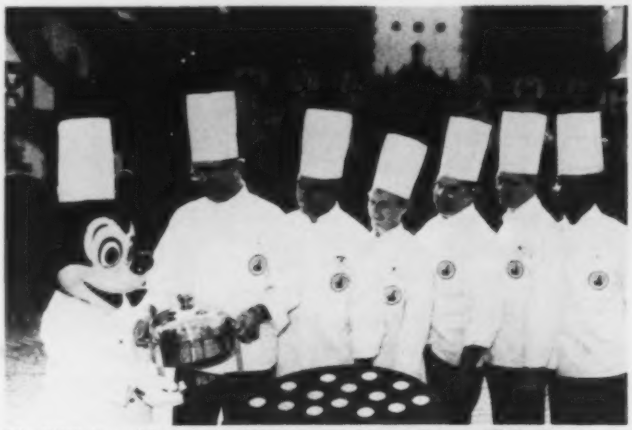


cover photograph by Lee Salsbery, grocery cart courtesy of Giant Food Inc.

Disney chefs go for gold

Out to prove the name Disney means more than cartoons and theme parks are five members of a culinary team from Walt Disney World in Buena Vista, Florida, who are in training for the next culinary "Olympics," to be held in October in Frankfurt, Germany. The chefs will be among an estimated 2,500 culinarians from throughout the world competing in the grueling five-day showcase of culinary creativity that is scheduled every four years.

Making its debut in international competition last November at Basel, Switzerland, the quintet of Disney chefs was named the best of 120 regional teams at IGEHO '87 Salon Culinaire Mondial. Through the demonstration of nutrition-oriented innovation, the Disney chefs captured eight gold medals and six silver medals plus an engraved chafing dish—symbolic of the top regional team—and a special medal from South Wales as the best of the U.S. regional teams. The Disney team's next stop will be the Chicago Show in May.

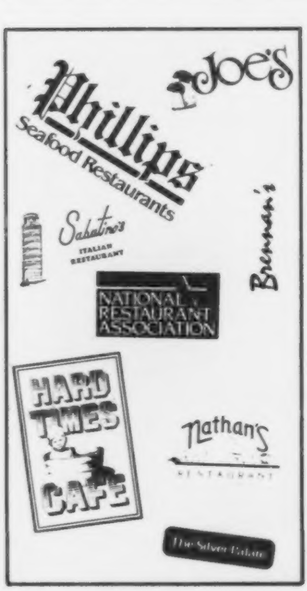


Chef Mickey Mouse and his coworkers show off their awards. In the foreground are the assortment of medals accumulated en route to winning the chafing dish as the best regional team at IGEHO '87 Salon Culinaire Mondial at Basel, Switzerland, last November. Culinary team members from the left: Manager Werner Krueger, Rolf Gosswiler, Cheryl Smith, Keith Keogh, Reimund Pitz and Johnny Rivers.

Team Disney's nutrition-minded answer to steak-lovers was an entree that started with filet mignon. They ground a portion of the filet, mixed it with mushrooms, wrapped the mixture around the remainder of the filet and roasted it, creating a "red-meat item" that actually was 50 percent cholesterol-free mushrooms. "The flavors blend beautifully," says team captain Keith Keogh, executive chef of Epcot Center. "So it becomes a healthier steak dish—and more economical, which is another judging criterion."

In preparing a smoked pork loin, the Disney chefs cut out the fat in the eye of the pork loin and replaced it with turkey breast meat to lower the cholesterol value. And on the side? Vegetable sausage. "We combined apples and braised red cabbage, bound it together with tofu and stuffed it in sausage casing. This was a perfect complement to the pork—beautiful color—and we didn't add calories or animal fat," Keogh explains.

The Disney team was selected by Hans Bueschkens, president of the 225,000-member World Association of Cooks Societies (WACS), who judged a mock-Olympics competition among Walt Disney World culinarians.


Joe's
Phillips Seafood Restaurants
Sabatino's Italian Restaurant
Brennan's
National Restaurant Association
Hard Times Cafe
Nathan's Restaurant
The Silver Palate

Congressional and Senate staff members enjoyed the "spicy taste of America" through participating restaurants' signature items at The National Tourism Week Breakfasts held in Washington, DC, on April 21 and 22. The signature items, which included burgundy pepper sauce, chili spice mix, and mustards, were placed in bags with the restaurants' logos and were distributed to attendees at the breakfasts. The breakfasts are sponsored by the National Tourism Week Coalition, of which the National Restaurant Association is a member, and have become a Capitol Hill tradition.

Heathman Hotel celebrates "the dean of American cookery"

On March 26, The Heathman Hotel in Portland, Oregon, concluded a week of festivities honoring the memory of James Beard, one of the city's most celebrated native sons, with a formal dinner that featured Northwest Pacific foods and wines. Beard was born in 1903 in Portland, where his mother owned and operated the Gladstone Hotel. This became the early training ground for the young gourmet who eventually made a career out of his passion for food. Beard spent most of his life promoting American cuisine through his syndicated newspaper column, his 22 books and a television cooking show. At the time of his death in 1984, Beard had earned his reputation as the "dean of American cookery."

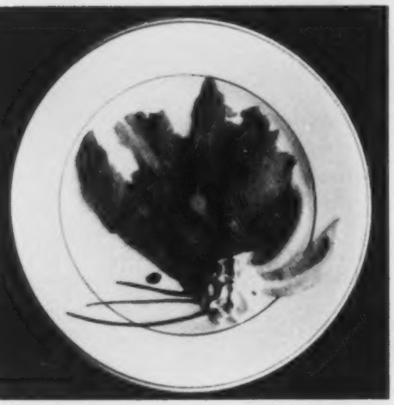
Heathman's Chef George Tate found inspiration for the dinner from Beard's own philosophy of "fresh foods, simply prepared." The menu featured Columbia River spring-run chinook salmon in three-peppercorn cure; squab in a rosemary and onion nest, cream of asparagus soup with bow tie crackers, and the entree, roast tenderloin of aged beef with new potatoes and vegetables. Three of Oregon's vineyards provided the wines for the evening, which were selected by the maitre d'hotel Stephen Earnhart.

Attendees who had known Beard claimed that he would have enjoyed the

C. Bruce Forster

dinner for its freshness and simplicity. In Beard's own words, "The triumph of cooking is to be able to produce the simple things so that they taste as they were meant to."

The Heathman Hotel took the opportunity to announce the winner of its second annual Heathman Award—Pacific Quail Farms of Clatskanie, Oregon, its supplier of fowls and game birds. As general manager Mary Arnsted claimed, "We are only as good as our suppliers," a sentiment that echoes Beard's belief that "The secret to really good cooking starts in the market."



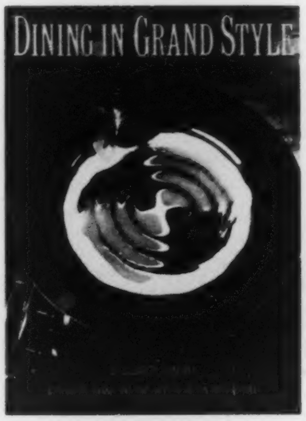
Columbia River spring-run chinook was one of the highlights of The Heathman Hotel's James Beard celebration dinner.

The celebration was held in conjunction with a series of events sponsored nationwide by Preferred Hotels Worldwide, an association of 80 independent luxury hotels, including the Heathman Hotel. A portion of the proceeds from the events—$18,000 total—went to the James Beard Foundation, a nonprofit organization formed by Beard's friends and colleagues after his death to continue his work in promoting American food.

From hotel kitchens to home chefs

Home cooking has made such a comeback that properties are starting to showcase their recipes for consumers. Hilton International hotels (not to be confused with the Hilton chain in the United States) has just published a cookbook, *Dining in Grand Style,* coauthored by Elizabeth Schneider, Dieter Hannig and the chefs of Hilton International. Included are recipes from 60 chefs on four continents, including such dishes as *Lobster Ravioli with Sea Urchin* from Tokyo, *Shaker Lemon Pie* from New York's American Harvester restaurant and *Braised and Grilled Chicken in Coconut and Javanese Spices* from the Peacock Cafe in Jakarta. Photographer Michael Grimaldi traveled throughout the world to capture the chefs' creations in their original exotic settings.

Elizabeth Schneider is a noted culinary journalist and cookbook author. Dieter Hannig is executive director of Hilton International's Food Research Center, where new recipe ideas from Hilton chefs are tested. The book, published by Thorne publications and distributed by Harper and Row, costs $35.



Marketing executives to meet before Show

The National Restaurant Association's Marketing Group will meet prior to the Show in Chicago from May 18 to 21. The program, called "Sales for Today and Tomorrow," focuses on making long-term marketing plans in today's volatile business environment. It features such industry leaders as Michael Grisanti, president of the National Restaurant Association; Joe Lee, chairman of General Mills Restaurant Group; and Tom Martin, CEO of Marie Callendar Restaurant. To find out how you can register for this meeting, contact Philip Kralovec in the association's Chicago office (312) 853-2525.

CIA launches radio show

The Culinary Institute of America (CIA) in Hyde Park, New York, is taking to the airwaves to share its cooking expertise with its neighbors in the Hudson Valley. A two-minute radio show, titled "Healthy and Delicious," hosted by master chef Mark Erickson, focuses on nutritious, healthy cooking as prepared at St. Andrews Cafe, the school's restaurant. The show is aired Wednesday and Thursday mornings at 11:30 a.m. on WKIP Radio, 1450 AM, in Poughkeepsie, New York.

First forum for honor students at Show

One hundred forty-one student honor delegates and their faculty sponsors will participate May 24 in the first-ever "Salute to Excellence" Student Forum, sponsored by the Educational Foundation of the National Restaurant Association during the Chicago Show. The students were selected on the basis of academic performance, career interest, industry work experience and achievement by the deans and directors of hotel, restaurant and institutional management programs at colleges, universities and vocational/technical institutes from coast to coast.

"The 'Salute to Excellence' Student Forum is a vital new part of our continuing effort to attract highly motivated, qualified young people to careers in the hospitality/foodservice industry," says Henry J. Cockerill, chairman of the educational foundation.

The forum is intended to be a fast-moving program featuring personal messages to students from foodservice industry leaders, followed by question and answer periods. Chaired by Michael E. Hurst, president of 15th Street Fisheries, Ft. Lauderdale, Florida, the forum will focus on the industry's opportunities, advice gained through experience and counsel on achieving one's goals.

WASHINGTON REPORT

New OSHA standard goes into effect May 23

Beginning May 23, 1988, all employers whose workers are exposed to hazardous chemicals on the job must comply with the Occupational Safety and Health Administration's (OSHA's) expanded Hazard Communication Standard (HCS).

HCS originally covered only manufacturers, but a series of legal challenges resulted in a court ruling that ordered OSHA to extend the standard to all employers.

HCS's broad definition of "hazardous chemical" includes any agent that creates either a physical or health hazard—for example, flammable, corrosive or toxic materials, carcinogens and irritants. In restaurants, oven cleaners, sanitizers, detergents, pesticides and cooking fuels are examples of products likely to come under the standard's purview.

Since last September, chemical manufacturers, importers and distributors have been required to supply a Material Safety Data Sheet (MSDS) for each potentially hazardous chemical sold to an employer.

Employers are responsible for maintaining manufacturers' MSDSs in an accessible file, keeping current lists of all hazardous chemicals in the workplace and making sure that manufacturers' product safety labels stay intact.

Employers must also develop an employee training program to inform workers of specific hazards, special operational procedures, protective measures, what actions to take in the event of an emergency and where they can find information on the hazardous chemicals.

Association produces booklet on setting up hazard communication program

The National Restaurant Association offers a "how-to" booklet to help operators set up hazard communication programs. Developed by the association's technical services department, the booklet is entitled "Right to Know: A Foodservice Operator's Guide to the OSHA Hazard Communication Program." Copies are available to association members for $5 and to nonmembers for $7.50. To order a copy, send a check or money order to the National Restaurant Association, Publications Department, 1200 17th St., N.W., Washington, DC 20036. (Note: Washington, DC, residents must add 6 percent sales tax to their orders, Illinois residents must add 7 percent and residents of Chicago must add an extra 1 percent, making their total sales tax 8 percent.)

Include $2 for postage and handling costs for orders below $20. For orders above $20, add 10 percent to the total cost for postage and handling.

Credit card orders are accepted over the phone for orders over $10. Call the association's Information Service and Library at (800) 424-5156 or (202) 331-5960.

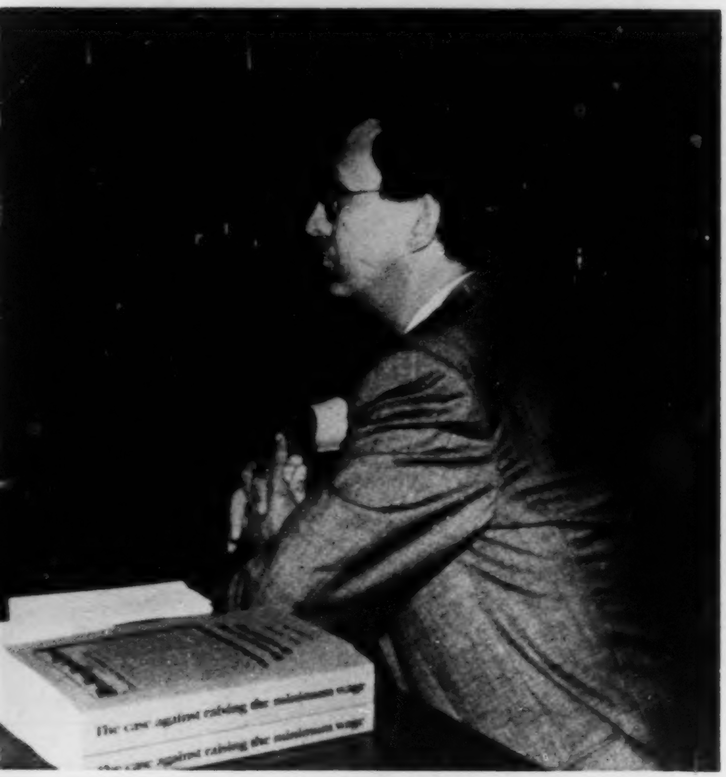
Grisanti leads "March on Washington"

On April 19, National Restaurant Association President Michael Grisanti (Grisanti, Inc., Louisville) led more than 100 foodservice operators from across the country in the industry's "March on Washington," a direct appeal to Congress to vote down a minimum wage hike and to increase the tip credit.

Armed with cost figures, employment data and other information about their businesses, the restaurateurs visited nearly 150 senators and representatives, describing the effect a minimum wage increase to $5.05 would have on their operations. Many echoed the sentiments of rally participant Betty Clement (Trivet House, Liverpool, NY), who said that "If things keep going the way they have been, small busi-

Fred Sampson, president, New York State Restaurant Association, confers with Rep. George Wortley (R-NY).

Jerry Hill (Bill Knapp's Restaurant, Battle Creek, Michigan) and Chuck Muer (C.A. Muer Inc., Detroit) prepare for meetings with their legislators.


The case against raising the minimum wage
The case against raising the minimum wage

Association President Michael Grisanti orchestrated the industry's "March on Washington" and addressed more than 100 restaurant operators at a rally which preceded the day's events. "The fact that you have come all the way to Washington to deliver your message sends a message by itself: 'This is important,'" he said.

nesses won't find it profitable to keep operating. The government is so active that at times I don't even feel like I'm running my own restaurant."

The event's timing was critical, coming at a point when restaurateurs needed to keep up the pressure against a minimum wage increase and prevent labor lobbyists from gaining momentum. Last month Democratic leaders said they would not bring minimum wage legislation to the U.S. House floor for a vote until the second or third week of May, delaying their earlier plans for an April vote.

(The House minimum wage bill, H.R. 1834, proposes increasing the wage to $3.85 in 1989; $4.25 in 1990; $4.65 in 1991; and $5.05 in 1992.) The full Senate will probably not consider its bill, S. 837, until the House clears H.R. 1834.

Minors can use expanded identity document list

Employees under age 18 can now use school or doctor records to prove their identity to employers, according to technical amendments to the 1986 Immigration Reform and Control Act. The Immigration and Naturalization Service (INS) ruling, which went into effect March 16, also allows parents of workers under 18 to attest to their identity.

The expanded document list for workers under 18 now includes 1) a school record or report card, 2) a clinic, doctor or hospital record and 3) a daycare or nursery school record. These documents are added to the original list of identity documents, which includes a driver's license or a school I.D. card with a photograph.

Other amendments

INS published two other technical amendments relevant to foodservice operators: First, the agency now allows handicapped workers placed into their jobs by a nonprofit organization or as part of a rehabilitation program to draw from the same expanded list of documents to prove their identity. As an alternative, a representative from the organization placing the worker may attest to the worker's identity.

Second, INS now permits I-9 forms to be filed on microfilm or microfiche, as long as the microfilm is legible, readable and easily accessible.

—Denise Roach

Chlorofluorocarbons are on the way out

New, conclusive evidence condemning the production of chlorofluorocarbons (CFCs) as damaging to the ozone layer has prompted foodservice manufacturers to phase out the use of CFCs in the manufacture of foam plastic products by the end of 1988.

Joseph W. Bow, president of the Foodservice & Packaging Institute, Inc., chose a press conference at Washington, DC's Willard Hotel to make the announcement. Speaking before television cameras and members of the press, Bow said his industry and environmentalists are not adversaries. "We all live here. We are all subject to the same environment," he said.

Environmentalists praised the voluntary move and said they hope it will prompt other users to phase out CFCs. The chemicals are also used for coolants for refrigerators and air conditioners, and for solvents that remove impurities from computer microchips and electronic parts.

CFCs are harmless until they float to the stratosphere, where they decompose and deplete the ozone layer which shrouds the Earth and partially screens it from ultraviolet rays. Global warming, crop and fish damage, and an increase in skin cancer and cataracts would be the result of a depleted ozone layer.

Many of the packaging manufacturers will be switching to HCFC-22, a compound with 95 percent less potency as an ozone-depleting chemical. However, the program calls for a drive to press chemical producers to develop a new agent that has no ozone depletion potential and that meets other safety and environmental criteria.

—Julie Fintel

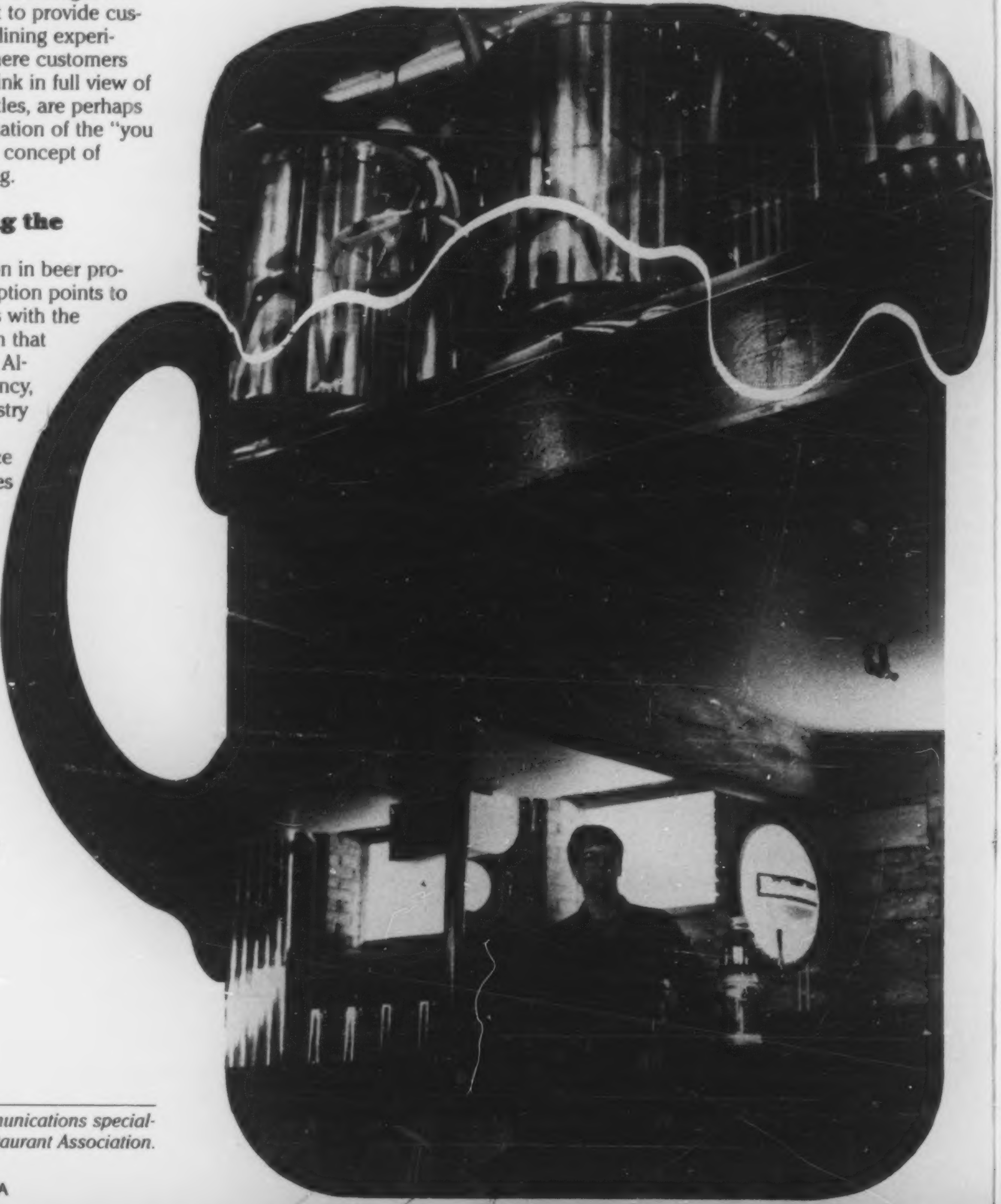
BREWPUBS

You Can Only Get It Here

The expansion of brewpubs has followed hot on the heels of the revival of microbreweries, small-scale breweries that are bringing quality and tradition back to American beer. The full-bodied, unique regional beers produced at these small breweries and brewpubs are capitalizing on the American public's increased appreciation of fresh, high-quality food and beverages. As restaurateurs attempt to provide customers with unique dining experiences, brewpubs, where customers often can eat and drink in full view of the shining brew kettles, are perhaps the ultimate manifestation of the "you can only get it here" concept of foodservice marketing.

Only scratching the surface

The current revolution in beer production and consumption points to obvious comparisons with the American wine boom that began in the 1960s. Although still in its infancy, the pubbrewing industry has the benefit of catering to a populace that already consumes a significant amount



by David Slater

David Slater is a communications specialist at the National Restaurant Association.

One of the newest and most lucrative concepts in the American restaurant industry today is the brewpub, a restaurant that serves beer that has been brewed on the premises. A reincarnation of the self-supporting colonial taverns, the modern brewpub revolution began in the summer of 1982 at the Yakima Brewing & Malting Company in Yakima, Washington, and gradually spread through the Pacific Northwest and California. Today, these innovative and profitable ventures are appearing or are planned in almost every state where legislation allows on-premises brewing and retailing.

of beer. As Bill Owens, owner of Buffalo Bill's Brew Pub in Hayward, California, observes, "Americans consume 2.5 gallons of wine each year and 24 gallons of beer. What does that tell you? The future is not in wine, it's in beer."

While admitting that at this early point it is impossible to know "what beer will become in America," Owens, one of the outspoken leaders of the American brewpub movement, echoes the sentiments of many brewers when he asserts that pubbrewed beer fits in well with contemporary lifestyles and tastes. "People are interested in new tastes that aren't in a supermarket," he says. "They want beer that is brewed locally with the water and the character of the region."

Legislation has served as a brake

One of the greatest hindrances to the spread of brewpubs has been the number of states that do not allow beer to be produced, sold and consumed in one location. Brewpubs currently are legal in 24 states, but legalization efforts are underway in six other states, with two more states expected to pass favorable legislation by the end of the year.

In addition, state laws regarding brewpubs vary greatly. In Washington, for example, each brewing company is limited to one brewpub, and Oregon law permits three brewpubs per brewing permit. Other laws in some states restrict the amount of beer brewpubs can sell off premises in bottles and kegs.

At least one brewer, Bert Grant of the Yakima Brewing and Malting Company in Yakima, Washington, believes that national legislation limiting the number of brewpubs per company might be, in the long run, an aid to pubbrewers. "It would prohibit the big companies from coming in and taking over," he says, "like they did with the breweries."

High profitability

Although it is true that a desire to brew distinctive, high-quality beers is a powerful motivation for operators, today's pubbrewer does not have to sacrifice money for love. With markups as high as 400 percent on beers brewed in-house, efficiently run brewpubs can be highly profitable.

"There's an incredible markup on the product because you're cutting out all the middlemen," says Bill Owens, who publishes a magazine, *American Brewer,* and also has released a comprehensive manual on how to build and operate a brewpub. (The manual sells for $2,500.) Owens estimates that at his brewpub, one gallon of beer, at $1.50 per glass, retails for $17.50, with material costs to brew that gallon at only 61 cents. "That figure," he says, "represents 3.5 percent of the retail value and leaves 96.5 percent of the sales dollar to cover fixed and variable expenses."

Beer is the raison d'etre

Nonetheless, the attraction of the brewpubs lies in the opportunity to produce full-bodied, unique regional beers. Although some pubbrewers sell only one or two in-house beers, many others rotate the production of a variety of beers, keeping four or more on tap at once. In addition, other draft and bottled beers, wine and liquor are often available. The Buffalo Brewpub in Williamsville, New York (200 seats), for example, usually has on tap its own amber ale, oatmeal stout, red ale and "roo brew," a house version of an Australian stout. The beer menu also includes eight other draft beers and more than a dozen bottled beers.

Perhaps one of the most charming and distinctive aspects of the brewpubs, however, is the brewers' ability to experiment with special beers. Because they brew in relatively small batches that can be turned around in a matter of weeks or even days, many pubbrewers supplement their usual production schedule with seasonal beers for Oktoberfest, Christmas and Halloween, as well as dark bock beers and Weiss beers (made with wheat).

Other brewers experiment with original or unusual ingredients, in an attempt to offer a unique product to the public. At Hillsdale Brewpub in Portland, Oregon, up to 30 different kinds of fruit are used in some of the lighter ales. The popular "Ruby Tuesday" is brewed with raspberries, and other styles use blueberries, Ollala berries and marion berries. "The fruit gives these beers a light, refreshing taste," says brewer Mike Burns, who observes that Hillsdale can afford to experiment with its beers because it brews in 125-gallon batches, much smaller than the 300-gallon tankfuls favored by most brewpubs.

Strictly defined, a "brewpub" is a foodservice operation whose on-premises brewery serves only the pub. By that definition, the world's largest will be the Rotterdam in Toronto, Ontario, with an annual 4,000-barrel dedicated brewing capacity. Brewmaster Gordon Fuller surveys his beer tanks from the soon-to-be-opened pub.

Although the Belgians have used fruit in their beer for centuries, some of Hillsdale's experiments are original. Its Mars Ale, for example, was created when one of the managers tossed a Mars candy bar into the beer during the boiling process. "Of course you couldn't really taste it," says Burns. "But it sure got a lot of attention."

Diversity of themes

As brewpubs have grown in number and expanded eastward, their concepts have diversified. Although many of the older brewpubs have a simple decor similar to that of a British pub, several of the newer pubbreweries reflect an increased emphasis on design and theme. The Weeping Radish Restaurant and Brewery (150 seats) in Manteo, California, for example, reflects the ambience of a German country inn, with handmade booths and imported fabrics and decorative items.

Chicago's Tap & Growler (120 seats), which opened in November 1987, has an elegantly appointed Depression-era look. The restaurant, housed in a 125-year-old building in Chicago's Greektown, features mahogany and other dark woods, a revolving door, a scrap-marble floor, an exposed cooking line and industrial glass windows.

Even the industrial chic motif has arrived on the brewpub scene in Los Angeles, created by co-owner Peter Wormser at The City of Angels Brewing Company (110 seats). The restaurant's interior juxtaposes warehouse materials, such as rough steel beams and unfinished brick walls, with architectural elements that have been painted in striking ochres, yellows and greens. The brewery wall is graced by a striking 60-foot bar that has been sheathed in riveted boilerplate steel, then topped with a red-toned, textured concrete into which found glass objects have been embedded.

Beer foods

Like the decor, the menus at brewpubs have become more sophisticated as the operations have grown in number. The simple menus at many of the country's first brewpubs were, understandably, an afterthought. The hearty pubfare, such as "bangers" (sausages), sandwiches, soups and ploughman's lunches, was designed to satisfy not only hunger, but also legal obligations on percentages of volume attributed to food sales.

Foods designed to complement beer still dominate the menus at most of the newer brewpubs, but generally the cuisine is more sophisticated. The menu at Chicago's Tap & Growler, which accounts for 65 percent of the operation's volume, is filled with homemade items that range in price from $3.95 to $11.95. Offerings include a different soup each day, such as Portuguese kale or Wisconsin cheddar and beer, meat and seafood pies, braised veal, grilled fresh fish and fresh-baked bread. "We take a completely fresh outlook with both our beer and our food," says general manager Jim August. "Freshness is a very important aspect of our operation."

Similarly, at the Blue Ridge Brewing Company in Charlottesville, Virginia (115 seats), the eclectic menu ranges from gourmet pizzas and pastas to grilled fish, filet mignon and Caribbean marinated dishes. "We place an equal emphasis on the beer and the food," says co-owner Paul Summers, who breaks down his sales at 55 percent food, 25 to 30 percent beer brewed on premises and the rest bottled beer and liquor.

The menu at City of Angels, which was created by Mary Sue Milliken and Susan Feniger of Los Angeles's City Grill and Border Cafe, includes "nouvelle beerfood," such as beer-battered crayfish with honey-mustard dipping sauce, pig-in-a-blanket stuffed with champagne sausage, and beer-steamed clams with bacon, garlic and tomatoes.

Building product recognition

To encourage return visits, some pubbrewers have initiated continuity programs. The Buffalo Brewpub's "mug club," for example, is open to regulars who have consumed 20 pints of the brewpub's beer. Once in the club, members have their names engraved on a handled mug that is kept behind the bar when not in use. The members also are entitled to reduced prices for in-house brews during happy hours, and they are put on the mailing list for special events, such as tastings, unveilings and the summer "mug outing."

At Chicago's Tap & Growler, owner Jerome Eastman also uses mugs as marketing devices. Eastman created a logo for each of the pub's six beers (only four of which are usually available at one time). Each style of beer is served in a special glass with the corresponding logo.

Adding onto existing restaurants

As the number of states permitting brewpubs continues to climb, perhaps one of the most pervasive trends will be the addition of brewing facilities to existing restaurants. Several brewers, such as Bennewitz of the Weeping Radish, think these add-ons are feasible for restaurants with as little as 1,200 feet to spare.

Brewmaster Mark Witty of Manhattan Brewing Company in New York City says that quite a few brewing operations are added to existing restaurants in England. He believes that adding the brewery once the restaurant is established could be an advantage.

The future of pubbrewing

Although it is clear that the American brewpub revolution is still in its infancy, many operators already foresee a day when the novelty of quality beers brewed on the premises will not be enough to carry a restaurant. "Right now, no matter what, you can't miss with a brewpub," says Bennewitz. "But in 10 years, this will change drastically."

At Milwaukee's Water Street Brewery (225 seats), which has been open only since November 1987, brewmaster John Dallman has already seen some of the difficulties associated with the management of an operation that combines two distinct industries. In the future, he says, "There will be a lot of growth, but some people will fail because they'll place too much emphasis on the brewery. People come in to try the beer, but you have to deliver on food, cleanliness and service if you want to get the repeat business." ❑

RUSHING THE GROWLER

Return of the Corner Brewpub

by Marty Westerman

Loosely defined, a "brewpub" is any foodservice operation on the premises of, or adjacent to, a brewery, where the brewery's beer is sold on tap. By that less restrictive definition, a brewery is allowed to package its beer for sale through wholesalers. The world's largest brewpub by this standard is the 400-seat Sieben's in Chicago. It brews 5,000 barrels of beer each year.

Taverns that brew their own beer are making a North American comeback. More than 60 have been built and opened in the United States and Canada since 1983, and another dozen are to open by fall.

Legislatures across the nation are scrambling to keep up with the brewpub trend. In just this past year, five states approved liquor-law changes that will allow brewpubs to do business within their borders. In March this year, the U.S. Bureau of Alcohol, Tobacco and Firearms (BATF) proposed federal rule changes that would broaden the U.S. alcoholic beverage tax structure to include brewpubs.

In the *Federal Register*, BATF proposed that brewers be allowed "to establish a tavern on brewery premises, and utilize portable packages or dispense beer through pipelines."

Under the proposed rules, the brewpub operator would be required to submit a brewer's notice to the BATF regional director, setting forth: the boundaries of the tavern and the security measures used to segregate public areas from nonpublic areas, the method to be used for measuring beer for tax purposes, the identification of all tanks that will periodically contain tax-determined beer, and the planned method to determine the tax.

This is an ironic turn of events, since government-sponsored Prohibition killed America's first generation of brewpubs almost 60 years ago. Aside from the temperance issue, the government sought to break the brewers' monopolies on wholesaling, distribution and retailing, which resulted in severe trade restraints.

Today, brewers are safely locked into two, three and four-tier distribution structures, and a few national companies control almost 90 percent of the market. Legislators see the brewpub giving small-scale brewers another opportunity to compete in the on-premises trade—by opening their own restaurants.

The opportunity is tightly controlled. Most new state statutes limit the brewers' output to a few thousand barrels and restrict their retailing license to a single outlet on or adjacent to the brewery. Nonetheless, brewpubs are setting a trend because fresh beer generates dramatic public interest in the restaurant property. And according to Alan Calford, president of Continental Breweries in Toronto, Ontario, Canada, which has installed more than two dozen microbreweries and brewpubs in North America, "On-site microbreweries have boosted our customers' sales between 20 and 35 percent." He notes that brewpubs are not a new business, but the return of a classic that appeals to the current interest in fresh, locally produced products.

Before Prohibition, thousands of "corner taps" dotted the American landscape, and people routinely "rushed the growler"—dropped by the tav with an empty jar they could

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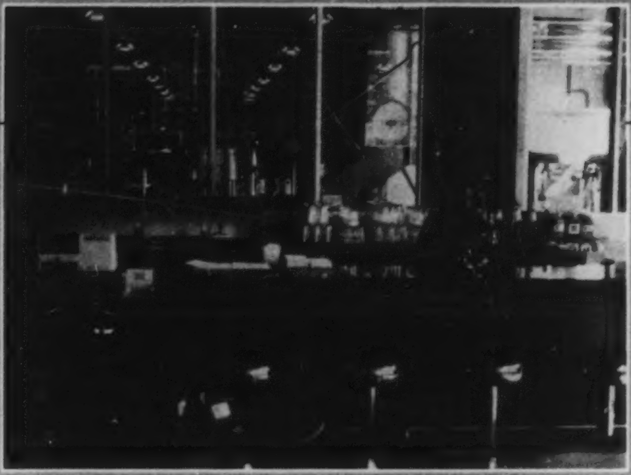
Marty Westerman is a designer, producer and writer in Seattle, Washington.

A state-by-state look at brewpub laws

Here is a state-by-state list of where brewpubs are legal. If brewpubs are not legal in your state, contact the state liquor control board for details. In the past year, five states changed their liquor laws to allow for brewpub businesses. Even as ***Restaurants USA*** goes to press, bills aimed at achieving similar results are being introduced in other state legislatures.

Alabama—*Not legal.* Three-tier system currently prohibits brewpubs.
Alaska—*Not legal.* It is currently illegal for a brewer to have any interest in retailing.
Arkansas—*Not legal.* Three-tier system currently prohibits brewpubs.
Arizona—*Legal.* Brewpub must hold both brewer's and retail licenses, and food sales must comprise at least 40 percent of total sales.
California—*Legal.* Brewer can hold wholesale and retail licenses and must sell wine and beer at brewpub.
Colorado—*Legal.* Brewer can hold wholesale license and sell to licensed retailers and consumers.
Connecticut—*Not legal.* Brewers can hold wholesale license, but currently not retail license.
Delaware—*Not legal.* Three-tier system currently prohibits brewpubs.
District of Columbia—*Not legal.* Three-tier system currently prohibits brewpubs.
Florida—*Legal.* Law allows only retailers to obtain brewpub licenses. All brewed beer must be sold as draught, on the premises, for on-premises consumption only. None can be bottled or canned.
Georgia—*Not legal.* Three-tier system currently prohibits brewpubs.
Hawaii—*Legal.* Although state law prohibits pubbreweries, individual counties can permit a licensed brewer to dispense product on the premises.
Idaho—*Legal.* Brewpub must limit production to 30,000 bbl/year.
Illinois—*Legal.* Beer produced must be sold on the premises.
Indiana—*Legal.* Beer produced must be sold on the premises. No production limit.
Iowa—*Legal.* Brewpub must be located on brewery premises, but it can sell for consumption on and off-site.
Kansas—*Legal.* Brewpub can sell for consumption on and off premises. There is a production ceiling of 5,000 bbl/yr. Beer must be made with at least 50 percent Kansas-grown grain unless waiver is issued.
Kentucky—*Legal.* Brewpub must be located in a "wet" territory. There is a production limit of 12,500 bbl/yr.
Louisiana—*Not legal.* Two-tier system currently allows brewers to wholesale, but not to sell retail.
Maine—*Legal.* Brewer can offer on-premises sampling, and brewpub can be located at remote location.
Maryland—*Not legal.* Three-tier system currently prohibits brewpubs.
Massachusetts—*Legal.* Farm brewery license may be obtained by cereal-grain growers for purpose of brewing. License allows wholesaling and retailing on brewery premises.
Michigan—*Not legal.* Brewer's license currently allows wholesaling and free sampling in brewery hospitality room, but not retailing.
Minnesota—*Legal.* Brewpub must sell only draft beer for on-premises consumption. No wholesaling or sale of beer for off-premises consumption. The production limit is 2,000 bbl/yr.
Mississippi—*Not legal.* Three-tier system currently prohibits brewpubs.
Missouri—*Not legal.* Three-tier system currently prohibits brewpubs.
Montana—*Legal.* Small-scale brewer may hold a retail license.



P. Mollocks in Portland, Oregon, is next door to the Widmer Brewery

Nebraska—*Legal.* Brewpub license available to cereal-grain growers who use the grains for brewing purposes, at a ratio of three parts in-state grain to one part out-of-state grain. Production limit of 50,000 gal/yr.
Nevada—*Not legal.* Currently, brewer cannot wholesale or retail, and no retailer can be involved in manufacture of alcoholic beverages.
New Hampshire—*Not legal.* Currently, brewer can sell wholesale, but not retail.
New Jersey—*Not legal.* Currently, brewer can sell wholesale but not retail.
New York—*Legal.* Brewer can obtain a brewer's retail license.
North Carolina—*Legal.* Brewer may wholesale and retail.
North Dakota—*Not legal.* Three-tier system currently prohibits brewpubs.
Ohio—*Legal.* Brewer can wholesale and retail. Brewpub must be located on or adjacent to brewery premises.
Oklahoma—*Not legal.* Currently, brewer can sell wholesale, but not retail.
Oregon—*Legal.* Brewery/public-house license allows brewers to sell to wholesalers and consumers, both on and off brewery premises. Brewery production limited to 10,000 bbl/year. Draft beer can also be sold in a container provided by the consumer for off-premises consumption.
Pennsylvania—*Legal.* Pubs can sell *only* beer brewed on premises, but no other brands or types of alcoholic beverage. Brewpub may distribute to other liquor licensees or wholesalers for off-premises consumption.
Rhode Island—*Not legal.* Brewers must currently sell to state wholesalers.
South Carolina—*Not legal.* Three-tier system currently prohibits brewpubs.
South Dakota—*Not legal.* Brewers prohibited from having any connection to retail sales.
Tennessee—*Not legal.* Interlocking web of laws prohibits brewpubs.
Texas—*Not legal.* Currently, both brewers and wholesalers are prohibited from holding retail licenses.
Utah—*Not legal.* Two-tier system allows brewers to distribute free samples on the premises, but not to hold retail license.
Vermont—*Not legal.* Two-tier system currently prohibits brewers and wholesalers from holding retail licenses.
Virginia—*Legal.* Brewpub must be on or adjacent to brewery premises and must offer full food service.
Washington—*Legal.* Brewer may wholesale, but can retail only beer of its own production.
West Virginia—*Not legal.* Brewer can currently sell wholesale but not retail.
Wisconsin—*Legal.* Brewer can hold Class B license to retail on the brewery premises, for on-premises consumption only.
Wyoming—*Not legal.* Two-tier system allows brewers to sell wholesale but not retail. ❑

fill with local brew to carry home and drink.

In the period since Prohibition, the brewing industry consolidated and its variety of products decreased. Now, America's tastes are broadening again, and the means of making good beer is available to anyone.

"Just think—people in a small town drinking their own locally produced beer. That's something people can take pride in," smiles Jeff Mandel, administrator for the Association of Microbrewers in Boulder, Colorado.

That is the selling point for brewpub restaurants—a beer that can be recognized as characteristic of a particular pub or neighborhood.

"The idea isn't to make beer cheaper than people can get it at the store," explains Mark Cruden, co-owner/manager of Tracks brewpub and Houston's Restaurant in Brampton, Ontario. "It's to get them talking about your restaurant, to get their curiosity up."

"The brewpub concept creates excitement in the restaurant," Cruden adds. "Whenever we overhear restaurant patrons talking about our beer, we invite them next door to Tracks to see our copper brewing tanks and show them how the beer they are drinking is produced right here.

"The shiny copper tanks have eye appeal. We've had people across the street spot them through our windows and come in to look. We get calls from people who say, 'Reservations for four . . . and by the way, is your home brew ready?' People poke their heads in the door and ask the same thing."

Cruden and his partner decided to invest the $100,000 for a brewery last year, after suffering a prolonged downturn in business. Although he projected a five-year payout period, Cruden is already seeing results. For first quarter 1988, with the microbrewery added to Tracks, business is up almost 10 percent over the same period last year.

Brewpub patrons have import beer demographics

Today's brewpub patron is a typical imported beer drinker—upscale, aged 25 to 40, ready to explore new tastes. "Micros make a larger stir than their size would indicate because of their novelty and the attention the media has given them," explains Dan Carey, project manager for Portland, Oregon-based JV Northwest, Inc., a brewery equipment manufacturer. JV has built and installed 30 microbreweries and brewpubs across the United States.

"The micros and brewpubs produce a variety of interesting beers that major breweries don't offer," Carey continues, but they do cost more. "Microbeers are luxury items, and their case prices are double those of conventional beers, so their per-unit value is out of proportion to regular beer numbers. Micros also have the David-and-Goliath factor going for them. You know, America loves the little guys."

Calford believes that "Mr. Boeing's mixmaster in the sky" started the general interest in "upscaled" foods and beverages. The airplanes took our natives away to other lands and brought them back with broader tastes.

Carey agrees that imported beers whetted America's appetite for novel malt beverages and adds that home brewing made freshness a factor. Most imports are at least three weeks old by the time Americans drink them. It has taken that long to ship them from the brewery, then warehouse and stock them at U.S. retail outlets. Their bloom of freshness is off.

Enter the neighborhood brewpub, says Carey. "For anyone who enjoys good beer, the stuff that's brewed next door is a dream come true."

No battles for warehouses, distributors or shelf space

Whatever shakeout occurs in brewpub brands will result from the success or failure of the pubs themselves. Most state laws mandate in-house brews to be served on draft inside the pubs, and prohibit them from being packaged for off-premises consumption.

The basic pub brewing system consists of piping, a pump and three tanks—one for wort, one for fermentation and one for holding.

In this minifactory, beer can be brewed via two methods—full-grain or extract. The choice between the two methods should be based on economics, as there is no discernible taste difference between grain-brewed and extract-brewed beer.

If the brewpub will be producing 500 or fewer barrels per year, extract brewing is more economical. Extract brewing is the quicker of the two methods because the pub owner simply buys the prepared liquid, which is analogous to grape juice for making wine, and proceeds to brew. Although extract typically costs 75 cents a pound, versus about 25 cents a pound for grain, the extract recipe doesn't require the services of a full-time brewmaster. It is a more mechanical process which can be set in motion and periodically checked by a part-time brewmaster. The full-time-brewmaster-and-grain route becomes economical above 500 barrels.

The extract system is also more compact, an important point if floor space is a concern. Continental Breweries' 470-barrel-per-year-capacity extract system fits into a 270-square-foot area; its 1,000-barrel system fits into a 425-square-foot area. Minimum investment on the 470-barrel system is $75,000. A full-grain, 1,000-barrel-per-year-capacity system from JV Northwest takes up 500 square feet, and runs about $89,000.

Profit margin projections are very attractive. Carey and Calford reckon a $40-per-barrel production cost, and a per-barrel retail price of $400 to $500 if the beer is sold by the glass or pint. Carey projects that a pub using a full-grain JV system will break even at 500 barrels sold. Calford projects that a pub using a Continental extract system will break even at 400 barrels. Despite the potential profit in pub brewing, Calford and Carey caution against jumping into a brewpub without first asking these questions:

(1) Does your state or province allow brewers to retail their beer?

(2) Can you afford the $75,000 to $200,000 minimum system price tag, and the additional capital for real estate, equipment, renovations and operating cash for the first, generally losing, year in business?

(3) Is imported beer popular in your region? and

(4) Will your location and traffic pattern generate enough business to earn back your investment in a reasonable time period? ❑

Grocery Stores Are Gaining in the Battle for Takeout

It's time to keep an eye on what supermarkets are doing. Grocery stores are winning more takeout customers—and some of those customers are coming from restaurants. Because consumers feel that grocery takeout food is superior to restaurant takeout in terms of health, nutrition, freshness and price value, operators may want to combat this perception by emphasizing the beneficial aspects of their foods—especially taste and images of fun.

According to National Restaurant Association research, commercial foodservice sales at grocery stores* (which include some convenience stores) more than doubled from slightly over $1 billion in 1981 to nearly $2.5 billion in 1985. Annual growth ranged from 21 to 26 percent. As a result, the grocery store market share of all commercial foodservice sales reached 1.6 percent in 1985.

That figure is increasing. More people are purchasing takeout items at grocery stores than ever before, according to CREST** data. Traffic counts for foodservice purchases at grocery stores zoomed upward by 95 percent from 1986 to 1987.

Stealing quickservice restaurant customers

According to CREST, one-third of the growth in consumer traffic involving foodservice purchases at grocery stores between 1985 and 1986 was directly attributable to consumers switching from restaurants to grocery stores. The remainder of the growth

Most frequently purchased take-out foods at grocery stores

Soft drinks and sandwiches top the list of grocery takeout foods

	Percent of eater occasions
Soft drinks	29%
Total sandwiches	26
Donuts/sweet rolls	14
Chicken	13
Side dish salad	9
Coffee	9
Main-dish salad	8
Hot dogs	4
Hero's/subs	4

Source: NPD CREST, *Annual Household Report 1987*

**According to the U.S. Department of Commerce, grocery stores are defined as establishments selling primarily (1) a wide variety of canned or frozen foods such as vegetables, fruits and soups; (2) packaged or bulk dry groceries, such as tea, coffee, cocoa, dried fruits, spices, sugar, flour and crackers and (3) other processed foods and nonedible grocery items. These establishments often also sell smoked and prepared meats, fresh fish and poultry, fresh vegetables and fruits, and fresh or frozen meats. Establishments commonly known as supermarkets, food stores and delicatessens are included if receipts from sales of groceries and food items for off-premises preparation and consumption are 50 percent or more of total sales. This differs from the Food Marketing Institute which defines supermarkets as grocery stores with at least $2 million in annual sales volume.*

***CREST stands for Consumer Reports on Eating Share Trends, a diary survey conducted by one of the NPD marketing and research companies.*

SUPER MARKET

According to Don Byerly, owner of Byerly's, a trend-setting chain of eight upscale, ultra-service supermarkets operating in the Minneapolis/St. Paul area, "In the future, we'll be designing smaller meat departments, bigger delis, bigger restaurants, bigger bakeries." He adds, "From our point of view, the future is in prepared foods, lighter fare and healthier foods, too."

[illegible] of takeout food at [illegible]

Convenience and value attract customers to grocery stores

Motivator	Percent of respondents
Convenience	58%
Quality of product	34
Save an extra trip	26
Company image	14
Like the store	13
Good prices	8
Variety	8

Source: NPD CREST, *Annual Household Report 1987*

Commercial foodservice sales at grocery stores, 1981-1985

Between 1981 and 1985, grocery stores have nearly doubled their share of the commercial foodservice market

	Total grocery store commercial foodservice sales (000)	Percent annual growth	Percent share of total commercial foodservice sales
1981	$1,032,098	24.3%	0.9%
1982	1,257,180	21.8	1.0
1983	1,553,874	23.6	1.2
1984	1,954,774	25.8	1.4
1985	2,465,722	26.1	1.6

Source: National Restaurant Association

Consumer views of takeout food at restaurants and supermarkets*

Supermarket takeout food is perceived to be fresher, better quality than restaurant takeout

Descriptions	Supermarket takeout food	Restaurant takeout food
Fresh**	62%	53%
High quality**	57	39
Good value for the money**	56	30
Healthful**	53	25
Nutritious**	51	26
Know what goes in it**	49	16
Balanced meal**	46	28
Tasty	49	75
Children like it	24	69
Special treat	28	68
Expensive	35	67
Fun to eat	24	67
Fattening	20	62
Adults like it	40	58
Interesting food	37	57
Too greasy	14	57

Source: Food Marketing Institute

**A supermarket is defined as a grocery store with over $2 million in annual sales.*
***Descriptions apply more to supermarket takeout food; balance applies more to restaurant takeout food.*

was due to overall growth in the off-premises market.

Grocery stores have expanded their customer base by attracting consumers away from quickservice restaurants. The CREST study shows that nearly 60 percent of the consumer switch to grocery stores between 1985 and 1986 came from quickservice restaurants. Thirty-two percent of the shift came from quickservice hamburger establishments.

Cafeteria, pizza and other sandwich restaurants also lost customers to grocery stores. Seven percent of the traffic shift to grocery stores came from cafeterias, with pizza restaurants suffering an identical loss.

Grocery stores: popular among busy consumers

Both CREST and National Restaurant Association research show that grocery store takeout food has gained a following among time-conscious individuals who are frequent purchasers of takeout food.

A CREST study investigated what motivates consumers to purchase foodservice items at grocery stores. Convenience was named the number one reason and product quality was cited second. "Save an extra trip" was mentioned by one out of every four respondents.

While fast food has remained a takeout staple for the busy consumer, grocery store takeout has gained in approval. The 1986 National Restaurant Association study *The Takeout Market* examined the purchasing patterns of frequent and infrequent users of takeout food. Among those who purchased takeout in 1985, 29 percent responded that they purchased takeout food at grocery stores more than twice a month. Among frequent buyers of takeout food (those who purchase takeout food twice a month or more), fast food restaurants were the first choice for takeout purchases, with grocery stores second. Fifty-eight percent said they buy takeout food at fast food restaurants more than twice a month.

Grocery stores have yet to reach their takeout potential, however. Thirty-four percent of survey respondents said they never purchased takeout food at grocery stores, whereas only 5 percent never bought takeout

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Competition is in the freezer case, too

Grocery stores are not only competing with delis, hot takeout and on-site bakeries. There is plenty of competition in the freezer case as well.

With U.S. microwave ownership currently at 66 percent and projected to be over 80 percent by 1990, the race for the customer's food dollar is in the freezer case as well.

In the two-year period between 1984 and 1986, for example, frozen food manufacturers introduced 988 new products. After that explosion, growth slowed, because freezer space usually cannot be added to a store until it is renovated. The rule seems to be that for every new item that comes in, another item is forced out. For instance, dinners gained freezer space in 1986, but vegetables, dessert pies, bread and poultry all lost footage.

The frozen-entree-and-dinner market is highly segmented, and not all segments are equally successful. For example, according to the *Wall Street Journal* in 1987, "The premium end of the frozen 'main meals' market—that is, frozen entree and dinner items priced at $3 and above—has registered unit sales declines of 10 to 30 percent." Some of the drop was due to the withdrawal of some unsuccessful product lines, such as Campbell's L'Orient line of Szechuan meals and General Foods' Fresh Creations dinner—meals contained in their pouches, each with a different cooking time.

Top performers

The best performances seem to be budget-priced entrees, calorie-controlled entrees and ethnic selections.

For example, in addition to an original line of 10 300-calories-or-less Lean Cuisine items, Stouffer's now offers 28 Lean Cuisine entrees all packaged to suit the microwave. The Budget Gourmet line of entrees, dinners, slim-line entrees and recently introduced side dishes—all under $2—typifies what has been happening in the cost-controlled sector. Sales for the company doubled in 1986.

"We saw a niche in the market," says Steve Diamond, vice president of marketing at All American Gourmet Company, manufacturer of the Budget Gourmet in Orange, California. "We thought people wanted excellent-tasting food at a reasonable price. The prices that frozen entrees were reaching were unreasonable and out of character for frozens. They were more like fast food or family-style restaurant prices."

According to Diamond, All American Gourmet managed to keep its prices down through a low-overhead operation and by using state-of-the-art paperboard packaging. "We saved 30 percent in packaging costs alone, and we put the savings into the ingredients to emphasize taste," says Diamond.

Italian frozens are hot

As with restaurants, the search for variety has spawned new lines of ethnic frozen products. Italian frozens are by far the category leader. "Since 1983, Italian single-dish sales have grown 72 percent and are expected to reach over $1.5 billion by 1995," notes Mark Hannay, marketing manager for Stouffer's Entrees and Side Dishes.

As in restaurant sales, pizza leads the category. Overall, frozen pizza sales in 1986 totaled $850.4 million. At the same time, pizza is changing as manufacturers streamline products for microwave use. Pillsbury's three pizza companies—Totino's, Pillsbury Microwave and Jeno's—dominate the pizza market with a 55.2 percent share of the business. In 1987, Totino's introduced Totino's party pizza called Temptin' Toppings, a high-quality pizza with more weight and real pieces of meat; Totino's microwave family-size pizza; and Totino's pan pizza in a domed plastic container. Totino's based the pan-pizza introduction on statistics about restaurant pizza habits.

Stouffer's capitalized on the popularity of Italian foods by introducing a new tortellini line in 1987, which it reports is doing very well. The line includes five tortellini entrees. According to Gerald DeCroce, Stouffer's vice president of marketing, "Today 11 of our current top 20 entrees are made with our homemade pasta."

Mexican offerings are also selling. In 1986, consumers purchased 28 percent more Mexican-style frozen entrees and dinners than in 1985. Pet Foods, owners of the Old El Paso line of Mexican products, aggressively added Old El Paso frozens, which are leading sales in the category.

GOYA Foods is another force in the Mexican frozen segment. GOYA carries a line of 800 items, among them a 42-product line of frozen foods. Although the GOYA frozen food line is only five years old, it is the fastest-growing segment of the GOYA business. In the past, GOYA targeted the Hispanic market; but in the last five years it has aggressively begun to target the mass market.

The recent craze for New Orleans Cajun products is developing a whole new ethnic department in supermarkets. Pet bought a Louisiana company, Cajun Foods frozen line. The line includes complete dinners—boil-in-bag or microwaveable—which include packets of Louisiana rice and topping. There is crawfish bisque with rice, crawfish etouffe with rice, shrimp etouffe with rice, shrimp creole with rice, shrimp gumbo with rice, shrimp jambalaya with rice, and a stuffed crab.

Rather than market a separate Cajun line, some companies are incorporating Cajun offerings into their existing lines. Campbell's Mrs. Paul's frozen fish added a nine-item light seafood entree line which includes a Cajun-style shrimp. "These items are very upscale, restaurant-style," says Winder.

Not for dinner only

Although the frozen dinner category is the fastest growing frozen food segment, breakfast and lunch items are worth watching, too. "People are eating breakfast," says Peg Ransom, manager of consumer and public relations for Kitchens of Sara Lee in Deerfield, Illinois. "They've heard it's good for you and smart in terms of losing weight. They don't seem to be discriminating in terms of what they eat, as long as it's fast."

Sara Lee offered its plain croissant as early as 1982, and followed it with bagels in 1985, when the breakfast market began to take off. In 1986, the company added a line of Hearty Fruit Muffins. The package of four retails for approximately $1.79 in a variety of flavors, including blueberry, banana nut bran, oatmeal and fruit, apple cinnamon and raisin bran.

Campbell's Swanson Great Starts breakfasts include five breakfast sandwiches and nine breakfast entrees. Shoppers can choose from scrambled eggs with bacon and home fries, pancakes with blueberries, or cinnamon swirl French toast, or they can opt for a steak-egg-and-cheese on muffin.

Lunch may well be the next area targeted for growth. Campbell Soup Company is test-marketing a soup-and-sandwich frozen entree. Some of the selections include tomato soup and grilled cheese sandwich, cream of broccoli soup with ham and cheese croissant, and chili and hot dog.

According to estimates by *Food and Beverage Marketing* (April 1986), 43 million servings of food and beverages are going into microwave ovens annually. And 53 percent of all premium frozen dinners and entrees purchased last year were intended for microwave preparation.

Frozens are worth watching

As the number of microwave ovens increases, the demand for meals that can be quickly heated will also grow. Restaurateurs will have to position their takeout products not only against hot foods available in supermarkets but also against items offered in the freezer case. Because the frozen food segment is volatile, this category is worth watching as the competition for the takeout dollar heats up.

—Kathy Boyle

at fast food restaurants. Also, for most grocery stores, takeout food represents only a small portion of their total business and marketing orientation, while for many fast food restaurants, almost half of total sales consists of takeout food. As grocery stores make physical improvements to quicken takeout service and increase their promotional emphasis on takeout food, their share of the takeout market is likely to increase.

Shaping consumer perceptions

Many consumers perceive grocery store takeout food as being different from restaurant takeout. In the 1987 study, *Shopping A La Carte*, the Food Marketing Institute examined both positive and negative consumer perceptions about both types of takeout food. Consumers viewed takeout food at supermarkets as healthful, fresh, nutritious, high quality and a good value for the price. But they saw restaurant takeout food as tastier, more fun to eat and more interesting. On the other hand, survey respondents perceived that supermarket takeout food was less interesting and less fun to eat, as well as less appealing to children. Restaurant takeout food was also perceived as being greasier, more fattening and more expensive.

When asked if they knew what went into takeout food, half of the respondents felt they knew what ingredients went into supermarket takeout food, but only 16 percent felt they knew what made up restaurant takeout food.

Who patronizes grocery stores?

According to National Restaurant Association research, consumers with an above-average interest in purchasing takeout food from grocery stores tend to be members of the following demographic groups:

☐ two-member households
☐ households with income under $15,000
☐ households whose head is over 55 years old
☐ households in the South and
☐ females.

In addition, grocery stores appear to be gaining a following among older consumers without children.

The average grocery store takeout customer differs somewhat in profile from that of the average takeout consumer. According to National Restaurant Association research, members of the following groups tend to be frequent takeout buyers:

☐ 18 to 34-year-olds
☐ singles
☐ households in the South
☐ households with incomes between $20,000 and $50,000 and
☐ females.

Where are consumers eating?

More customers are eating grocery store takeout food at home. In 1986, 80 percent of consumers who purchased takeout food at grocery stores ate it off-premises, compared with 72 percent in 1985. Between 1985 and 1986, the percentage of customers eating grocery takeout food at home grew from 16 percent to 28 percent. This trend may be attributable to several causes. For instance, some grocery stores have installed special services, including separate check-out counters for takeout, in order to facilitate the needs of customers in a hurry. This faster service, coupled with fewer on-premises eating facilities, encourages the customer to eat more meals off the premises.

Consumers also eat grocery takeout food at work or on the go. In 1986, 16 percent ate their orders in the car and 24 percent ate their meal at work.

In addition, the growing popularity of VCRs has enticed the consumer to eat more takeout at home. Supermarkets have begun to catch on to the popularity of stay-at-home movie watching. In 1987, 33 percent offered videocassette rentals.

What foods are purchased?

Inexpensive foods are the most popular type of takeout items purchased at grocery stores. Sandwiches and soft drinks are the top items. Donuts and sweet rolls are also popular.

Chicken is the most desirable hot food item, followed by hot dogs and hamburgers. Both side and main-dish salads are high on the list of items purchased, and supermarkets have encouraged their purchase by adding salad bars to their operations. In 1983, 8 percent of all supermarkets offered salad bars. In 1987, 13 percent had salad bars. Although ice cream is well down the list of takeout items, 6 percent of supermarkets now offer full or self-service ice cream stations.

Most prepared food purchased at grocery stores is taken off premises. However, some stores do offer eating areas for on-premises consumption. According to *Progressive Grocer*, 9 percent of supermarkets in 1987 contained sit-down restaurants within the establishment.

A future challenge to restaurants?

Although restaurants continue to dominate the takeout market, grocery stores are coming on strong. Some consumers see grocery stores as viable alternatives for takeout food. In a Food Marketing Institute survey, respondents listed numerous improvements supermarkets could make to increase sales of takeout food.

Customers said they would like to see grocery stores offering more hot food, especially more hot ethnic food (Chinese, Mexican and Italian), fresh pizza and salad bars. (Already some supermarkets are responding to such requests. Raley's superstores, a regional California grocery store in Sacramento, has installed Chinese takeout stations called Hot Wok. These sell about 60 entrees, prepared on-site, out of a 12-foot, glass-enclosed steam table.)

Consumers also said they would buy more takeout food at supermarkets if the speed and ease of service were improved. Suggestions to decrease the time spent on purchasing takeout food included separate check-out counters for takeout customers, drive-thru windows, call-in service and separate entrances and exits. (One chain in New Jersey allows customers to drive up and order from a 250-deli-item menu. An operation in Atlanta, Georgia, has a self-service sushi bar as well as a self-service ice cream station.)

How grocery stores respond to these desires may very well help determine their future share of the takeout food dollar.

—Sebastian O'Kelly

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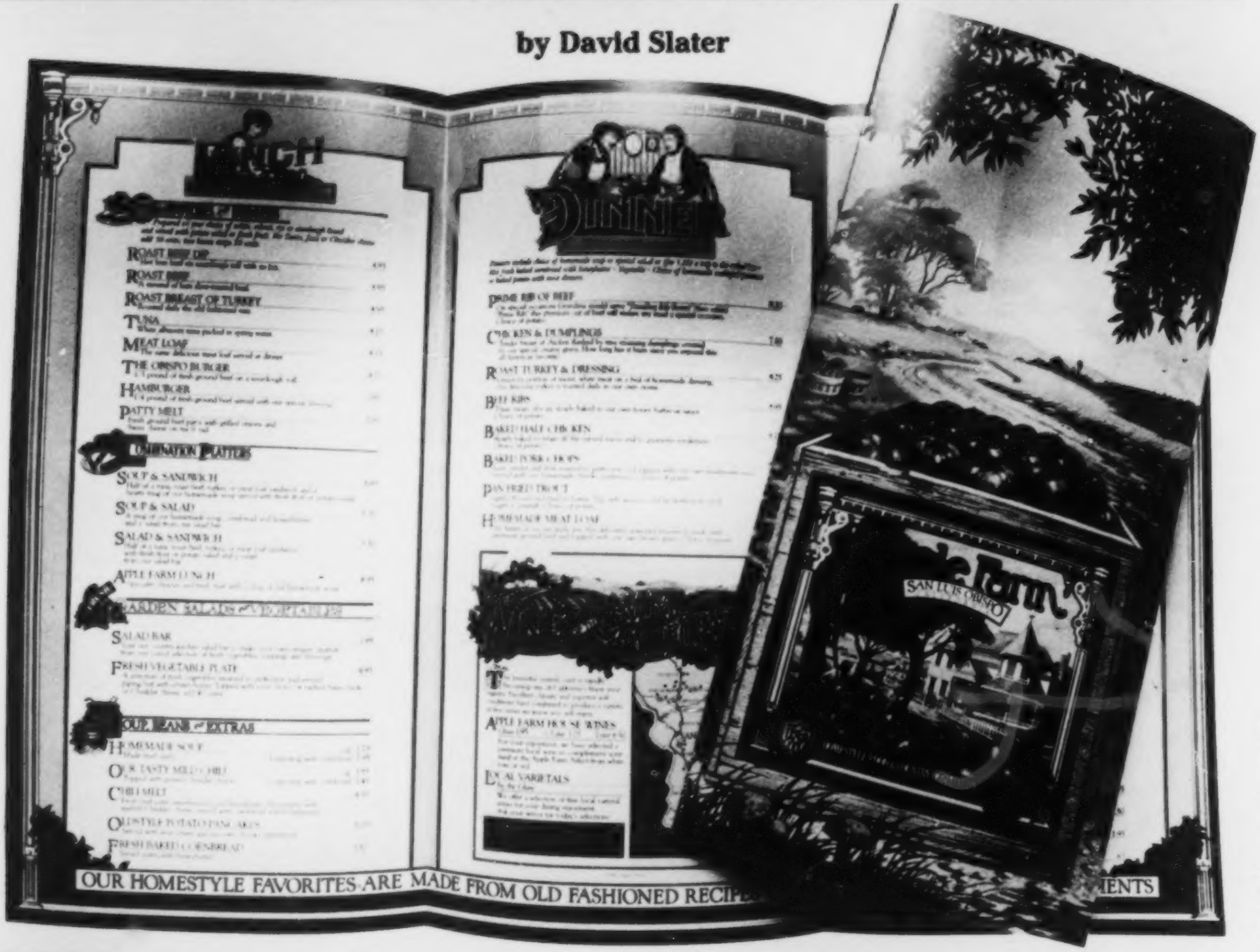
GREAT MENU CONTEST

Back-to-Basics Menus Win Top Prizes

by David Slater



Mark Delsasso, Visus Ltd.

Apple Farm: The homey, comfortable sense of Americana conveyed by this standout menu was praised by the judges, who were impressed by the way the Grand Prize winner clearly established and followed through on a theme. "The menu portrayed a certain wholesomeness using graphics instead of pictures of food," said Younquist. "It's very attractive, yet it directs your attention to certain areas and sells what it's supposed to sell," added Gruner.

By the time the crates of entries finished pouring into the National Restaurant Association's 25th annual Great Menu Contest, it had become apparent that the contest's judges had a formidable task ahead of them. How would six individuals agree on 30 winners from a field of over 750 menus?

Not only did these judges represent a variety of foodservice backgrounds, from menu specialists to trade press editors to restaurant designers, but the variety of menus they faced was mind-boggling. There were menus of every size and shape and from the most lavishly photographed to the starkest black-and-white flyers. No two looked alike. There were rectangular menus, of course, but also menus shaped like pineapples, ice cream cones, bananas, steaks and subway tickets, and even one shaped like a record album cover that included a removable record—designed to look like a pizza. The menus were covered with vinyl, silkscreens, laminated plastics and leathers, and painted in colors that ranged from fuchsia to gold. Not all were two-dimensional. There were frisbees, buckets and bags, and one striking menu printed on shellacked wood that smelled so strongly it was put to an unprecedented "odorama test."

The entries represented a dozen countries, including a series that was touted as "the talk of Bahrain." And they were intended for all audiences, from hospital bed patients to toddlers. There were menus so small you couldn't read the offerings and menus so big Clark Kent could have changed behind them without anyone being the wiser.

In all their great variety, the menus filled more than a dozen large boxes;

David Slater, a communications specialist at the National Restaurant Association, opened every box, carton and envelope, and made sure the Great Menu Contest ran smoothly from start to finish.

Spinaker's: This innovative menu of "Hot-time summer coolers," die-cut in the shape of a refreshing drink cooler, distinguished itself by its merchandising power. "It's exciting . . . it whets your thirst and makes you think of the beach," said judge Judi Radice. "This menu's shape is unusual but it works," said Ellen Brotman. "It gets you salivating just looking at it."

Cool man
Hot-Time Summer Coolers

and when the six judges gathered on March 24, it was clear that they were prepared for a daylong, roll-up-your-sleeves session. Out of deference to the great volume of entries, the judges eschewed pastries and pleasantries, and instead got right down to business, tearing into their menu stacks.

Those who were veterans of previous menu wars agreed that the level of entries was of a consistently higher quality than in recent years, and in many categories there were 10 to 15 worthy menus that could have won prizes. As the six judges divided into two groups to evaluate different categories of menus, the discussions often got heated, and menus had to be sent to the second group of judges several times in order to break ties.

As they lobbied for their favorite menus, the judges revealed insights into their personal evaluating formulas. While sizing up an institutional menu, for example, judge Michael Bartlett stated, "I try to picture myself in a hospital or office getting this menu." Loretta Ivany, praising the merchandising power of a sandwich menu, said, "It makes me feel like I can almost bite into the sandwich it describes." Other comments were not so kind. "I need a magnifying glass to read this print," "This color makes me sick," or "I don't get it . . . this design confuses me," were some of the criticisms that were heard.

Realizing that the menus they selected would be held up as industry trendsetters, the judges went over every detail of the menus. They read and reread item descriptions, often out loud; repeatedly opened and closed entries, holding them up and asking questions of the others in their group ("What are they trying to push? A 90-cent soft drink or a $9 entree?"); and they even argued about the basic philosophies of menu design ("What do you mean nobody reads the back cover? I always read the back cover!"). But by the time the battle-scarred battalion emerged from the room, they seemed comfortable with their choices.

During the judging, the judges had voiced frequent frustration at the menus that were conceptually strong but poorly executed. Perhaps as a result, this year's winners were primarily attractive but nonconfusing menus that were thoroughly conceived and executed, as compared to some of the more experimental and unconventional winners from past contests. At least one judge, John Gruner, tried to find an explanation for the renewed emphasis on basics. "Restaurants can't get by on decor anymore—there's more concentration on food and service as opposed to fluff," said Gruner. "Maybe this trend in restaurants is extending to menus as well."

Qualities that impressed the judges

☐ **Food graphics:** The judges almost unanimously preferred menus that emphasized graphics or artwork instead of actual photographs of food. "Usually, either the food won't live up to the photos, or the photos won't do justice to the food," said judge Judi Radice, who added, "Illustrations give a menu a more personal look."

☐ **Food descriptions:** Short but precise descriptions, or no descriptions at all, were favored by the judges over longer food descriptions. Noting that customers spend two minutes or less looking at a menu, judge John Gruner said, "Huge descriptions are something you just don't do anymore. You've got to get your point across fast."

FALL/WINTER
MARKET
Chicago Mercantile Exchange Center
He Wanted it... She CALLED for it... LASAGNA
A TRUE
DELIVERED!
Shocking
We CATER To ANYONE!
EAT or DIE

Limit Up!'s menu, a colorful comical takeoff on a detective tabloid, elicited giggles, praise and a second-place finish in the "average check under $5 per person" category.

☐ **Versatility:** The contest judges were impressed by menus that are designed so they can easily be adapted to price or offerings changes. Covers that allow new sheets to replace older ones, or add-on sections that have been designed so that the advertised specials do not cover any regular offerings, demonstrate solid planning. "You can't assume the customer will lift the paper to see what's underneath an add-on sheet," said Judi Radice.

☐ **Typography:** Time and time again, the judges stressed that readability was essential, especially in the subdued lighting favored by many restaurants. Several menus were removed from prize consideration because of small print or backgrounds that made reading difficult.

☐ **Sizes:** Oversized menus seldom caught the fancy of the menu contest judges. "Awkward, unwieldy menus definitely did not impress me," says judge Ellen Brotman, echoing a common sentiment.

☐ **Innovation:** Menus that were too obviously trying to capitalize on new trends were frowned upon this year by the judges, who seemed to think that menus with longevity were more attractive. "Some of the menus hit me with a sense of newness that people aren't entirely comfortable with today," said judge and restaurant designer Keith Youngquist. "As designers, we're trying to mix a sense of history with newness, and I think that's what the menu judges were after, too."

The judges seemed to agree that the qualities they were looking for were exemplified in the three menus they selected as Grand Prize winners.

SANDWICHES
ZAMO
BURGERS and DOGS
$1.00
GRILL and SOUP
John F's MARKET CAFE

John F's: The judges agreed that there was "an honesty" to this simple but thoroughly conceived cafe menu. "It set attainable expectations and succeeded at what they were trying to do," said Brotman. "It's easy to read and has a natural flow," said Gruner, who also praised the menu's highlighted sections that drew attention to certain selections.

1988 Great Menu Contest winners

Grand Prize Winners
First Place
Apple Farm Restaurant
San Luis Obispo, CA
Second Place
Spinnaker's Restaurant
Nashville, TN
Third Place
John F's Market Cafe—Holiday Inn, Georgetown
Washington, DC

Restaurant: average check under $5 per person
First Place
Country Greens Restaurant
Ronks, PA
Second Place
Limit Up!
Chicago, IL
Third Place
Minerva's 26th Street Market
Sioux Falls, SD

Restaurant: average check $5-$15 per person
First Place
Apple Farm Restaurant
San Luis Obispo, CA
Second Place
Oak Meadows Country Club (Country Inn)
Hoffman Estates, IL
Third Place
Schelde Enterprises, Inc./The Bowery, Grand Rapids, MI

Restaurant: average check over $15 per person
First Place
China Grill
New York, NY
Second Place
Harry's Bar and American Grill, San Francisco, CA
Third Place
Ojai Valley Inn & Country Club, Ojai, CA

Institutional foodservice
First Place
Mount Carmel East Hospital
Columbus, OH
Second Place
St. John's Regional Medical Center, Oxnard, CA
Third Place
Air Canada, In-Flight Service
Dorval, Quebec, Canada

Banquet/catering
First Place
Marriott's Harbor Beach Resort, Fort Lauderdale, FL
Second Place
Hilton International Taipei
Taipei, Taiwan, Republic of China
Third Place
Hilton International Saint John, Saint John, New Brunswick, Canada

Specialty
First Place
Spinnaker's Restaurant
Nashville, TN
Second Place
Marshall Field's
Chicago, IL
Third Place
Stouffer Restaurant
Pepper Pike, OH

Greatest merchandising power
First Place
Checkers Cafe(s), Treadway Inns Corporation
Saddle Brook, NJ
Second Place
E.E. Wolensky's
Washington, DC
Third Place
Red Robin International
Irvine, CA

Most imaginative
First Place
China Grill
New York, NY
Second Place
Boston Subway Restaurant
Hopkins, MN
Third Place
The Common Plea Restaurant
Pittsburg, PA

Best design
First Place
Apple Farm Restaurant
San Luis Obispo, CA
Second Place
John F's Market Cafe—Holiday Inn, Georgetown
Washington, DC
Third Place
China Grill
New York, NY

Menu contest judges

☐ Michael Bartlett, editor-in-chief, *Restaurants and Institutions*, Des Plaines, IL

☐ Ellen Brotman, Ellen I. Brotman Interior Designs, Inc., Fairfax, VA

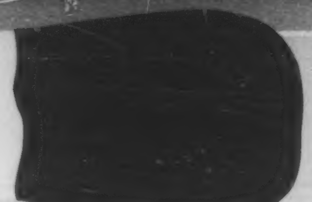
☐ John Gruner, Gruner, Prussner & Lloyd Restaurant Solutions, Kentwood, MI

☐ Loretta Ivany, editor, *Restaurant Management*, Cleveland, OH

☐ Judi Radice, author, *Menu Design 2*, Spectrum Foods, Inc., San Francisco, CA

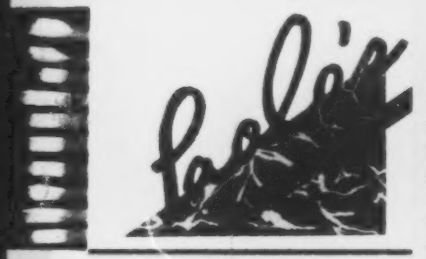
☐ Keith Youngquist, Aumiller-Youngquist, P.C., Mount Prospect, IL

MATCHES: A STRIKING WAY TO MAKE A STATEMENT



by Claire Regan

People may be smoking less, but you would never guess it, judging by the number of matches taken from restaurants. Operators report spending thousands of dollars on matches. But because they are often considered to be a restaurant's business card—valued as keepsakes by smokers and nonsmokers alike—most restaurateurs say matches are worth the expense. "Matches are a terrific and immediate form of advertising. People take them to collect, use or pass on. Word-of-mouth referrals are one of our most effective marketing devices, and matches reinforce them," explains Michael O'Grady, general manager of Paolo's, a Washington, DC, Italian bistro. "People notice our matches, and we are sure to have them on all the tables, at the bar and anywhere people can sit," O'Grady says.



Created almost a century ago, matches are a standard giveaway in today's restaurants. At an average cost of 2 to 3 cents for a 20-stem white matchbook with one-color printing or 6 to 8 cents for a similar no-frills matchbox version, most operators can afford to buy and distribute these collectible souvenirs.

JOE'S NEW YORK CAFE

Indeed, many operators invest more money to transform an ordinary matchbook or box into a mark of identification that effectively conveys and sells the restaurant concept. What they spend depends on the variations in size, shape, texture, color, design and other special options, such as a foil-embossed cover. These extra features can increase costs 15 to 20 percent.

Size

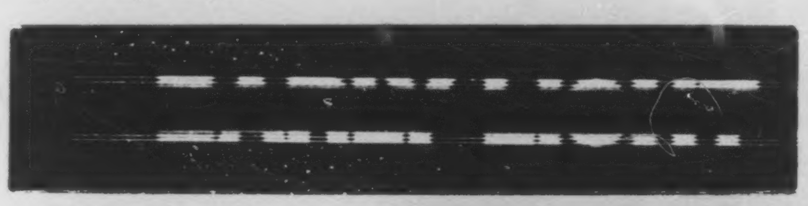
Although standard matchbooks are usually 2 inches square, matchbooks range in size from ¾-inch wide with 10 or 12 stems to a 40-stem, 3-inch-wide book. Boxes are available in almost a dozen different sizes from the familiar 1½-inch wide by 2¼-inch long rectangular 20-stick box to an elongated, slenderized 1-inch wide by 4½-inch long variety. The depth is usually ¼-inch. Elaborate boxes resembling pouches with cinched ends or custom die-cut books are also available to iconoclasts willing to pay extra to make a statement.

Shape

The shape of the restaurant logo is usually the primary determinant of box or book size. Otherwise, shapes and sizes are used to convey a particular image. For example, an elongated box ¾-inch wide, ¾-inch high and 2¼-inches long is used by the Levy organization (Chicago) to distinguish the private dining rooms of its upscale Italian operation Spiaggia from hotel banquet facilities. "The unusual box (three times the depth of the standard variety) is elegant and classic looking. It is just right to distinguish Spiaggia's private dining," says Levy spokesperson Carol Cohen.

Private Dining Rooms Of
SPIAGGIA

Another departure is the long slender rectangular matchbox 4½-inches long and 1-inch wide which distinguishes the Early Light Lounge at the Sheraton Washington, DC, Hotel as a cosmopolitan dance spot.



Special shapes and/or custom treatments will inflate costs of matches, but the price is dependent on the quantity ordered, explains Barbara Nackman, marketing director of Admatch Corp. (New York City). "With a match like the one we did for Early Light, we encourage clients to order a 12-month supply. We will keep them here and ship and bill as needed. Most of the expense involved comes from setting up the press, so it is cost-effective to order in bulk," Nackman advises.

Design

Even a standard-size matchbook can reflect a restaurant's concept by creative use of paper stocks, finishes and design. The red antique satin finish of Orsi restaurant (San Francisco) says classic Italian; the gold-foil-embossed logo on glossy forest green stock of L'Etoile's (St. Paul, Minnesota) matchbox conveys elegant dining; and the striking design of Palio (New York City) echoes the restaurant's use of bold graphics.

Phil Adelman, owner and president of American Diners, Inc., (Cincinnati), researched the designs of old diner matches before developing the look he wanted for his restaurant The Diner on Sycamore. Adelman says he opted for the modern horizontal illustration of a diner running from the front to back cover of his matchbook because he wanted to tell people that the restaurant is not a usual diner. Although the front of the restaurant does resemble a diner, the back courtyard dining room and large menu are contemporary. At Jackie's (Chicago), the matchbox cover replicates the front of the restaurant—awning and all.

THE Diner
RESTAURANT & BAR

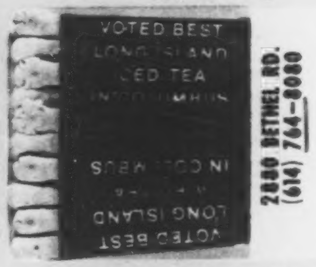
Color

Color can be used to evoke the atmosphere of a restaurant. The coral-and-marble design of Paolo's matchbox reflects the bistro's interior where green and coral marble covers the bar and floor. A custom coral color was developed for the head of the matchsticks. "This extra touch not only reflects our design but also demonstrates care and attention to detail," claims manager Michael O'Grady.

Other restaurants have taken similar initiative, dyeing their match heads in tones to match the colors of their decor—sometimes in two colors, as in the case of Alo! Alo! (New York City) where the heads are pink and yellow. Still others have not stopped with the heads but have incorporated the stems to make their statement.

At Chinois on Main (Santa Monica, California) the bright red stems echo the Chinese lacquer red on the matchbook cover and in the logo. At Le Mondrian (West Hollywood, California) foil stems reinforce the modern design and at Arcadia (New York City) dark brown matchsticks with pink heads match the restaurant's interior, projecting a "finished look."

Match stems can make an even more direct statement as in the case of Rocky's (Columbus, Ohio) where the stems are used to advertise the restaurant's house specialty—Long Island iced tea. Purple matches (Rocky's logo color) bear white type boasting, "Voted best Long Island iced tea in Columbus." Copy confined to the two words per stem allows the phrase to be repeated twice per layer of matches or four times in all.



Standard information

Whatever the design or format, there is basic information that should appear on every match cover or box. The name, address and phone number are as crucial to restaurant matches as to a businessman's card, but where they appear depends on the design. Beyond these basics, the choices depend on the desired image.

Some operators make statements about the concept or cuisine. How else would the unfamiliar guess that an operation named Perry's (Washington, DC) specializes in sushi unless the matchbook questioned in bold red letters, "Desperately seeking sushi?"

Menu items, too, are featured on some match covers. But this concept backfired for Davanni's Pizza and Hot Hoagies (formerly Pontillo's Pizzeria), a Minneapolis-based 11-unit chain. In an effort to boost takeout business, the chain's oversized matchbook listed the choices of pizzas and hoagies. "It sounded like a good idea, but the matches got away from us. We were spending more than $20,000 a year just on matches," exclaims Bob Stupka, Davanni's controller. A switch to a pocket-size menu card proved to be a more cost-effective marketing tool.

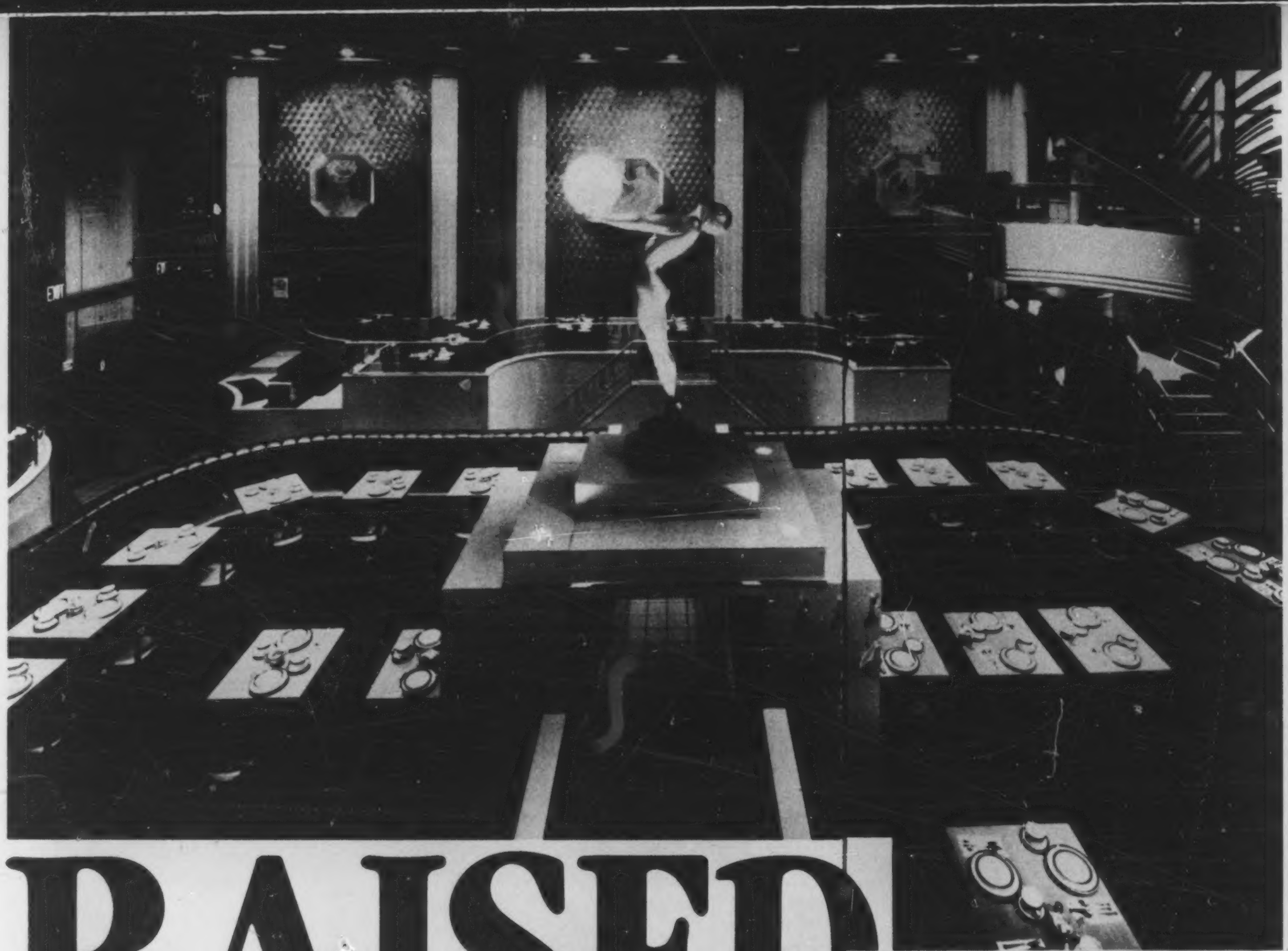
Although additional copy on the inside cover of a matchbook increases the printing cost, Peggy Lynch, vice president and general manager of Circle Creations (Chicago), recommends using the space to advertise additional units, concepts or services, such as catering. "If people enjoy one of your restaurants, they will likely be eager to try another one of your ventures."

Casa De Pico
296-3267
Hamburguesa
295-0584
297-8211

Barbara Nackman of Admatch observes other industry trends. "It seems as though matchboxes have become more popular as the incidence of smoking decreases. I think nonsmokers find wooden matches more functional than paper for lighting stoves and candles," she speculates. "The skinny books with 12 stems are also very popular now. It's not that they're less expensive, but they are cute, different-looking and special." ❑

THE AMERICAN CAFE

Claire Regan, R.D., is manager/staff nutritionist at the National Restaurant Association.



The New York Delicatessen's multilevel design allows customers to "see and be seen."

RAISED FLOORS

A Design Remedy That Gives Customers a Lift

by Elizabeth Wallace

> Restaurant designers use raised floors to solve design problems, such as breaking up a huge space or turning undesirable seating areas into sought-after tables where customers can enjoy privacy and the chance to "see and be seen."

When The New York Delicatessen was on the drawing board, designer Brad Elias of Hochheiser-Elias Design Group, Inc., in New York City, faced quite a challenge: How could he transform the cavernous, disjointed space—originally home to an automat—into a harmonious, inviting setting? Elias turned to a remedy that has cured many an unwieldy design—the raised floor. Elias softened the contrast between the 5,500-square-foot dining room on the main level and the 3,000-square-foot balcony, 20 feet above the floor by designing eight raised platforms. Each elevated section formed its own dining "island," creating an engaging, fluid atmosphere from every section of the restaurant.

Raised floors can cure other design ills as well. They can turn "undesirable" seating areas, such as near the kitchen or service counters or towards the back of the restaurant, into sought-after sections, and they can be used to separate sections of a restaurant that serve different purposes—such as the bar from the dining room—and to separate diners from busy traffic areas.

Designer Charles Morris Mount of New York City used raised floors in his design of the McDonald's at Rockefeller Center. The 160-seat restaurant's main dining area is separated from the serving counter by two steps, which according to Mount, "gives customers an escape from the rush of the serving area." Irwin Kruger, owner of the restaurant, attributes the large number of customers who eat on-site to the design. "A lot of our customers are undecided when they walk into the restaurant whether they are going to eat here or take the food out. The raised section has a nice intimate feeling—it encourages them to stay."

See and be seen

Why do raised floors work? Customers like the feeling of separation and intimacy that raised platforms provide; and unlike partitions or separate rooms, which cut customers off from the restaurant action, raised floors often provide the best view of the restaurant.

Jeremiah Tower designed his 150-seat San Francisco restaurant Stars with this attribute in mind. Tower incorporated two raised dining areas into his design—one a 2-foot elevation, the other a 4-foot raised area. Mirrors surrounding the dining room give it a wide-open feeling and allow diners to see from all angles. Customers often request seating on the higher platforms. "The raised areas allow for seclusion away from the busy dining room area, but they can still see everything that is going on," says Tower.

That is one reason why a raised floor works so well in the bar area of many restaurants. When Charles Mount redesigned the 226-seat Mr. Steak restaurant in Winston-Salem, North Carolina, for example, he created a sunken dining room set in a semicircle and a raised bar off to one side so that bar patrons could look down on the activity. The dining room is like a greenhouse with a 23-year-old tree growing in the center, orchids blooming and a myriad of hanging plants. The bar is 35 inches above the dining room and opens up into the greenhouse on street level and then slopes down to the dining room. General manager Sonny Grady is enthusiastic about this "cascading" effect. "The bar and greenhouse are intertwined so people in the dining room and in the bar can see each other." Grady attributes a 53 percent increase in sales in the franchise restaurant to the newly designed dining room. "People love it. They sit and just look around while they eat."

The New York City restaurant/nightclub Twenty-Twenty was also designed with this "see and be seen" philosophy in mind. The former automobile showroom with its huge, barnlike space was given a theatrical atmosphere by the use of raised floors. David Rockwell and Jay Haverson of Haverson/Rockwell Architects, P.C., in New York City came up with a design that used multilevels to create the look and feel of a theater for the 210-seat restaurant/nightclub. Customers enter the glass vestibule as if they were walking on stage. The main restaurant area—100 feet across and 92 feet from front to back—is several steps below the entrance. Diners on the main level look up at the stage, while diners from a 2,500-foot mezzanine look down at the stage—and at their fellow diners.

According to co-owner Brad Johnson, customers request seating on the upper levels. "The people immediately want to sit in the balcony because they see that it has a full view of the room."

Not for everyone

Even though raised floors can be used successfully to solve design problems, they are not a universal cure-all.

Raised floors may be inappropriate in a restaurant that caters to families or older patrons. It might be difficult to maneuver strollers or for children or older customers to negotiate stairs.

Raised floors may also make it difficult for people in wheelchairs. At the Jefferson Sheraton Hotel in Richmond, Virginia, waiters often have to lift customers in wheelchairs up to the higher levels of the multilevel restaurant. Although Eric Little, manager of 133-seat TJ's Restaurant in the hotel, is considering installing ramps to avoid this problem, he worries that the change may detract from the overall look of the restaurant.

Even when patrons are sufficiently mobile, servers may find it tiring to climb up and down stairs, and service can be delayed. One way around this problem is to incorporate separate stations on each level. This solution works at The New York Delicatessen, which has many stations on each level and a separate kitchen on the mezzanine. "The restaurant was designed with the traffic flow in mind. The waiters are assigned to a section in one level so they don't have to be running up and down the stairs," explains public relations consultant Arthur Riback.

Managers, too, have to do a little more legwork to supervise a multilevel room. "You can't eye the whole room from one vantage point, which is really important in a restaurant. I have to continuously go up and down the stairs to see what's going on in the different levels," says Brad Johnson of Twenty-Twenty. ❑

Safety First

Where there are stairs, there will inevitably be some stumbling. That is why many designers recommend using at least two steps to elevate a level. "You need at least two steps to see or sense the change in level. The one-step change in level isn't strong enough to flag them," says designer Brad Elias. "People will stumble coming down the step, not going up. When they are walking out, they are looking out into the room."

Even two steps may sometimes not be enough of a change in height to flag people. Don Smith, owner of seven McDonald's restaurants in the Cherry Hill, New Jersey, area, had a problem with people stumbling down a two-step elevated section in his Larchmont, New Jersey, store. After a banister was installed in the center of the stairway, the problem was solved. "It created a visual signal that there was a stairway there," explains Smith.

Other important safety considerations for a raised floor design include making sure that there is a safe and comfortable leadup to the stairway, that the stairway is well-lit and that the elevated areas are designed so that food and drink won't spill onto diners below.

Elizabeth Wallace is managing editor of **Restaurants USA.**

by Joan E. Herlong

MAIL ORDER

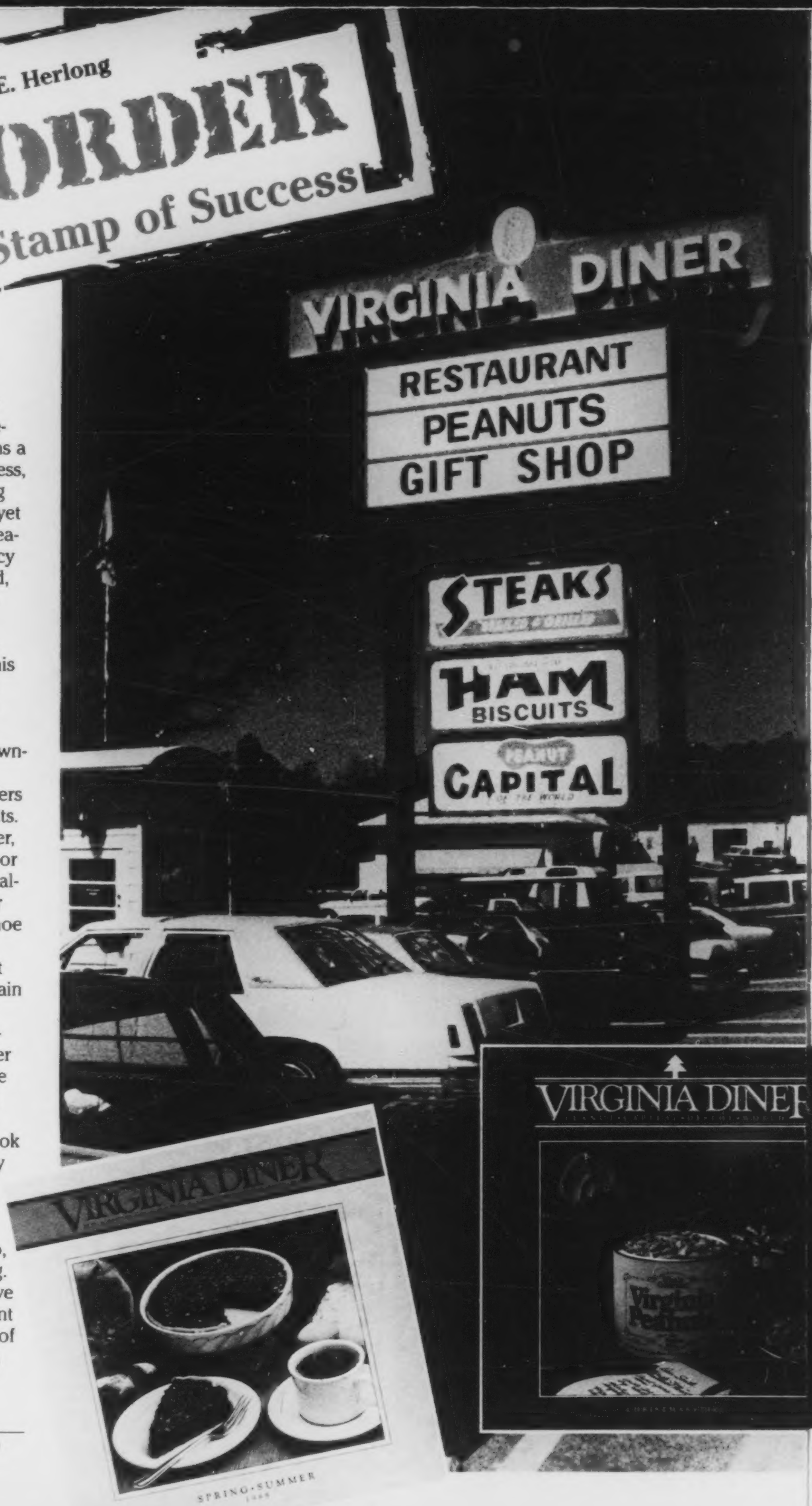
Selling Your Stamp of Success

Bill Galloway's 110-seat Virginia Diner in Wakefield, Virginia, also runs a brisk mail order business, a "sideline" generating 80 percent of the Diner's profits—yet Galloway got into mail order for peanuts! Make that Virginia Super Fancy Peanuts, shelled, blanched, roasted, and vacuum-packed for $5.95 plus shipping.

Galloway "sort of inherited" the mail order business when he and his wife Mary Ann bought the Virginia Diner in 1976. The Diner itself has been a fixture in Wakefield since 1929, with each of its successive owners specializing in family fare of "Southside Virginia." The diner offers peanuts instead of after-dinner mints. By the time the Galloways took over, customers had been carting home or phoning in for peanuts for years. Galloway recalls, "When we took over there were literally thousands of shoe boxes stuffed with fulfilled order cards. But there had been no effort made by previous owners to maintain or market a mailing list."

The Virginia Diner had all the ingredients for a successful mail order business: clear demand, marketable product and a ready-made mailing list. Still, it took a while to get the mail-order recipe just right. "We took four years," says Galloway, "to fully realize the potential of the peanut side of the diner. About nine years ago, we finally got everything on computer. But list analysis—ship-to, bill-to, etc.—is a complicated thing. Now we're very sophisticated. We've got 140,000 accounts on the present system, and we carry a whole line of peanut products and other Virginia goods."

The Virginia Diner experience



Joan E. Herlong is a freelance writer in Arlington, Virginia.

proves the rule of thumb that it will take about three or four years before mail order will start to show a real profit. However, with 80 percent of its revenue coming from mail order, the Virginia Diner is also the exception to the other rule of thumb, which says that the average restaurateur is not going to get rich quick through mail order. Food-product consultant Howard Solganik, whose firm is located in Dayton, Ohio, knows of a lot of restaurants packaging their products, "but I can't name any that have really made a lot of money on it."

Given such less-than-inspiring chances, why would a restaurant branch into mail order? Solganik is the first to assert that mail order can be profitable and fun if a restaurateur sets reasonable goals and maintains the right perspective—that of a restaurant owner. "The real benefit to mail order is not sales," advises Solganik, "but the mention and promotion of your restaurant name. A food product is simply a way of creating some news. What you are really doing is running a restaurant."

The Virginia Diner is a good example of this outlook in action. Despite what he calls his "lopsided" profit percentages, Galloway's diner remains his primary focus; the mail order side serves to increase tourist traffic and subsidize expansion plans for the restaurant. "Our peanut business generates the kind of interest that this little ol' diner just can't handle anymore," Galloway explains; "so we're getting ready to rebuild from the ground up, for a total seating capacity of 230."

Not like running a restaurant

Solganik's main caveat for would-be mail order mavens is to recognize that mail order is nothing like running a restaurant. George McCabe of the Loveless Motel and Cafe wishes he had heard that kind of advice six years ago, when he first "got serious" about pursuing his "Hams and Jams" mail order business. The Loveless Cafe has been a standard-bearer of country cuisine in Nashville for 30 years. That kind of success doesn't necessarily translate smoothly into mail order. "Mail order is completely different," says McCabe. "I went into it blind and learned about it at the School of Hard Knocks. You can lose some money real quick, especially when you start dealing with color brochures, perishable items and breakage."

Loveless's mail order germinated gradually from repeated requests for take-home baskets and items through the mail from the cafe's patrons. Although McCabe had a good start with a mailing list based on his restaurant customers, he still found there was too much error in his trial-and-error approach. "In the first two years," he remembers, "I really wondered whether it was worth sticking it out. It took four years before I started to show a profit, and I've only been at it for six."

If he were to do it over again, McCabe believes he would do more homework before jumping in, and he would hire a consultant at the outset. At present, mail order at the Loveless represents roughly 30 percent of total profits, but only 10 percent of McCabe's personal attention. Despite the initial losses and headaches, McCabe admits that "I do have a good time with it—especially when I take a call myself."

There's room in mail order food

Mail order is booming. The most recent figures show consumer purchases via mail order were upwards of $56 billion in 1987—a sales figure that has more than doubled in the past 10 years. Karen Generelli, media relations manager for the Direct Marketing Association, says the upswing in mail order sales began around 1975 because of the convergence of three primary factors: improved computer technology, increasing numbers of women in the workforce and the energy crisis of the early 70s. "People didn't want to use up gas shopping around for things," Generelli explains, "and women in the workforce have less time to shop in person. Sophisticated computer technology has made mail order manageable for even the smallest business."

The growth in mail order has stiffened the overall competition, however. It's tougher to create a niche in the new market, and breaking in can be very capital-intensive. Still, according to Mary Jane Anderson, publisher of *Foods By Mail*, the mail order food field is far from saturated. "People are coming into (and going out of) this business all the time. The epicurean food market is especially growing. People are interested in pricey, fun things that aren't at the local grocery," she says. "We're not talking about your basic bread-and-butter types. However, it is *not* something to get into easily; nor does a good product necessarily sell itself."

Generelli recommends that potential mail order entrepreneurs evaluate their product in terms of what makes it unique. "It may be the ingredients, the preparation or fast delivery," she says, "but something should set it apart from other similar products available by mail."

For the average restaurateur, a simply great product may not be enough to make mail order worth all the effort. Karen Lloyd, director of the mail order division of Legal Seafoods in Boston, recommends a more pragmatic approach to entering the mail order market: "You get to the point where you have to evaluate your mail order requests as just clutter-level activity in your kitchen or a significant market that you should aggressively go after," she says. Sometimes it's most economical to market a product through a third party, she adds, especially if you operate a small restaurant. If, however, you offer an entire line of products, you can generate enough revenue to justify the initial investment.

Getting started

Even a small mail order undertaking requires an up-front investment of time and money—often around $10,000. So the experts caution that before starting out in mail order, do your homework. It isn't too hard to find help. "Trade magazines in the mail order field, such as *Target Marketing* or *Catalogue Age* all want your business," says Mary Jane Anderson, "and they are a good source

Peanut mail orders bring in new restaurant customers as well as hefty profits. Says Virginia Diner Owner Bill Galloway, "We're finding people come out of their way to try the diner because of the peanuts."

This prototype label created by consultant Howard Solganik illustrates his advice to include an eye-catching front panel and a clear statement of product and maker. The labels for The Heritage's mail orders keep the focus on the restaurant with their representative etching of the country inn. All the labels are the same; only the product name changes.

Suggested Servings
Directions:
Ingredients:
Net Wt. 5 OZ.
The Heritage
CINCINNATI
Special Salad Dressi
The Heritage
CINCINNATI
Heritage Herb Blend
(salt free)
Elegant Dining In A Country Setting
The Heritage
CINCINNATI
Elegant Dining In A Country Setting
The Heritage
CINCINNATI
Cajun Seafood Seasoning
Elegant Dining In A Country Setting

of advice." You can also learn a lot by shopping for every facet of your venture—printing, packaging, phone answering, postage costs, labeling, etc. Vendors are often quite happy to share information.

Hiring a consultant does add to initial costs, but sometimes a consultant can help you avoid expensive mistakes. For example, Solganik generally advises restaurant clients to start out small and conservatively. He also recommends they:

☐ Start out with shelf-stable products

☐ Market items in their own restaurant first

☐ Indulge in a fun label design, with an eye-catching display panel and clear statement of identity

☐ Keep initial mailings simple, such as postcards with item and price list and

☐ Use standard, not fancy, packaging materials, such as stock boxes and foam "peanut" fillers.

The Heritage Restaurant has been a familiar Cincinnati name in regional American food since 1959. Owners Harold and Janet Melvin drew on their experience and contacts developed over the years when they first began to market their homegrown and homemade herbs, spices and sauces about three years ago. Janet Melvin explains their quasi-do-it-yourself approach to entering mail order: "We did research on our own about things like labels, jars, bottles and lot sizes. We did get a lot of outside help, but we never actually hired a consultant. We talked to a lot of our friends in the industry and used them as sounding boards for our plans."

Mail order makes up roughly 10 to 15 percent of their total business now. Melvin says they could make it more, "but that would require hiring a marketing agent or consultant." The Melvins have no plans to expand their mail order operations substantially. "We don't want the tail to wag the dog," explains Janet. "Mail order is enhancing our restaurant trade, but everything we've done, including our herb garden and garden tours, has been to enhance the restaurant. We are primarily a restaurant, and we intend to stay that way."

Getting the word out

Most operators find their customers push them into mail order with word-of-mouth recommendations. Soon customer requests expand to other buyers, and a mailing list is begun. Once an operator makes the decision to expand, speculative mailings from published lists can be a good way to stimulate increased business—but experts caution against buying or renting an outside list to jump-start a restaurant's mail order business.

Customer follow-up mailings are an important tool for encouraging repeat business, but gift recipients may not be a good target—at least not at the time the gift is mailed. "We used to include our catalogue with every gift we mailed, but that irritated the gift sender because it's like including the price tag," recalls Legal Seafoods' Lloyd. "Our shipping materials do have our name, address and phone number on them so those who want to reach us can do so easily."

Even after the mail order business is started, recommendations are the best way to expand. A third-party endorsement in a food column will sell more products than any ad campaign could produce, consultants note. In fact, favorable reviews esentially thrust Robert Pearson's Stick To Your Ribs takeout restaurant into mail order. Pearson, a genuine cockney serving up genuine Texas-style barbecue in Stratford, Connecticut, had only been open for about a year when enthusiastic reviews from several local and national publications, including the *New York Times, Business Week* and the *Washington Post,* brought in orders from all over the United States (including Texas!). Stick To Your Ribs continues to be reviewed regularly enough so that Pearson never buys advertising, and he's been in business five years. "My would-be ad dollars go back into getting the best quality. I let the food speak for itself."

Vivande Porta Via in San Francisco has experienced a similar growth pattern. This 40-seat cafe, serving only lunch and private dinner parties, receives so much favorable press that it has a hard time keeping pace with market demand. Ken Davis, Vivande's coordinator of catering, marketing, and sales, says, "We get about one call a day from a writer researching an article about some aspect of our business. We're reviewed in so many publications, why take out an ad?" After six years, mail order now represents about 10 percent of Vivande's total business.

If the press isn't hounding you as much or as soon as you would like, there is a way to pique their interest. The best way, according to Solganik, "is to send out press mailings to food editors with a single sample of your product and a newsworthy press release. *Do not call food editors to make sure they received your mailing!* That would mean instant death. Every September the food publications feature mail order articles."

Getting the word in

The use of 800 numbers and answering services is becoming vital to the success of any mail order business. As the Virginia Diner's Bill Galloway asserts, "An 800 number is a convenience factor for your customers. It makes it easier for them to translate interest into action." George McCabe says if he were to do it over, Loveless mail order would have started out with a 24-hour answering service. "People don't like to wind up with no answer, and they really will call at all hours. I started out with 7 a.m. to 6 p.m. service, but I still felt I was missing something. We added 24-hour service last year, and it more than pays for itself."

Legal Seafoods' Karen Lloyd adds that an 800 number is crucial to customer service. "There is certainly a great deal of comfort-generating over the phone to help gift senders or recipients feel comfortable with their purchase. Our phone answerers are trained to handle just about every question imaginable." Lloyd often takes phone orders, and especially customer problem calls, herself. "Not because my staff can't," she asserts, "but because I want customers to know we take their problems or concerns very seriously."

Success is its own reward

All of the restaurateurs interviewed for this article enjoy a good measure of success in mail order, yet very few are interested in translating that success into any major mail order expansion because they fear a loss of quality or time from their restaurant business. Madame Kuony, culinary art instructor and owner/chef of The Postilion restaurant in Fond du Lac, Wisconsin, has been mailing her plum puddings, sauces and compotes for 30 years. Kuony would not dream of trying to parlay her success into anything large-scale. Although her mail order trade amounts to 60 percent of her business, Kuony declares, "There is no question about it—I am a restaurateur first and foremost!" Expansion would mean not being able to produce her foods personally as she has done for the past 37 years, and she is unwilling to relinquish her control over quality for profit. "Quality in all things is hard to find," says Kuony, "but it is particularly hard to achieve in food. You cannot sacrifice reputation to profit because sooner or later it will catch up with you."

Mail order could certainly expand at Stick To Your Ribs, but owner Pearson plans to stick to his ribs for the present. "Mail order is perhaps 1 percent of my business and 3 percent of my time, but I don't have the time or physical space to expand." Pearson appreciates his steady flow of mail order demand, but would rather not take any more of his attention away from his restaurant. "If some third party approached me to handle and develop mail order, I'd consider expanding, absolutely." For now, however, mail order "is strictly for fans." ❑

Editor's note: For a more detailed look at direct mail, see the February 1988 issue of ***Restaurants USA.***

What to mail

What exactly goes into customer mailings when you decide to actively pursue mail order customers? All you really need for starters, and then some, is a good personal computer/word processor and postcards, says Bill Galloway of the Virginia Diner, whose profitable mail order experience provides a good benchmark for other operators. For years Galloway stuck with postcard mailings he created in-house. One side listed a few items and prices, the other carried the diner's address. Customers footed the postage. Galloway had great success with this low-cost format because "the product does the selling, not the postcard. If customers like the product, they'll re-order; if not, they won't," says Galloway.

"One name begets another in mail order," he adds. "So to stimulate that kind of thing we also made space on our postcards for customers to list friends who would like to hear from us." After several years, postcards evolved into two or three-fold printed mailings, also done in-house.

Because it represents such a large investment, a catalogue did not enter the picture until 1985, almost 10 years into the business. Catalogue costs vary by volume. In Galloway's experience they range from 35 cents to $1 each, plus postage and handling costs.

Galloway's customer list was 30,000 strong before he felt there was enough volume to justify a catalogue. Once he decided to put one together, he shopped for an ad agency experienced in catalogue production *and* with family-run businesses. Galloway believes using professionals is crucial, not just to produce a catalogue, but also to provide continuity with future projects. In addition, Galloway says he reaped the benefits of his agency's history with similar businesses.

From the start, the Virginia Diner has had a firm policy on mailings to "ship-to" and "bill-to" names. Ship-to's, or gift recipients, receive the product and a small enclosure listing product history or cooking instructions. This card includes the Diner's address and an 800 number. No catalogue or order form is enclosed. Bill-to's receive the product, an order form, plus a Bill of Fare newsletter about new items or a catalogue. Bill-to's also receive a note of thanks, whether they have purchased for themselves or for a gift.

Galloway advises those new to mail order that "moving into catalogues is nowhere near step one or step two in building your business." Moreover, using catalogues should not mean forfeiting lower-cost vehicles such as postcards or pamphlets. For example, the Virginia Diner has recently had a good response from once-dormant accounts that were sent a "We miss you" letter done in-house on the word processor. The word processor has enabled the diner to categorize accounts and send personalized letters.

Finally, Galloway underscores the importance of providing clear information on any mailing vehicles. This means a straightforward description of items and prices. Equally important is a detailed explanation of the company's return/problem policy, postage costs and any state taxes that may be included.

AN OUTSIDE BOARD OF ADVISORS CAN HELP WITH IDEAS, ADVICE

Many people enter the restaurant business because they want to be their own boss. But sometimes running a business alone can have its drawbacks—there is no one to brainstorm with and often no one to turn to for advice or management ideas. There is a way to tap others for ideas without bringing aboard a partner or consultant: You can create an outside board of advisors.

What is a board of advisors?

A board of advisors is a small group of people not connected to the business who advise, counsel and help the business owner—but do not make business decisions. A small business owner can consult this body of experts both formally and informally to discuss an issue in depth, debate mistakes and misgivings or talk about successes. The collective and individual experience of the people on an advisory board can be a valuable resource because advisors are not involved in day-to-day operations, and they have no personal investment in the financial success of the business.

Why have a board?

The reason for creating a board of advisors is quite simple: Nobody is good at everything. It is impossible for one person, or even one family, to concentrate on marketing, managing employees, investing capital and providing a good working environment all at once.

A board of advisors provides the distance needed to make sound decisions. Owners are often too close to business problems. Lack of perspective can lead to overly optimistic or pessimistic ideas about how the business is doing. People with different viewpoints and areas of expertise can help bring business into focus, spotting problems and difficulties an owner may overlook.

Why not hire consultants instead? Consultants tend to be used on a limited, project basis. They are usually expected to do a job quickly, and they don't stick around to see the long-term results of their work. Advisory boards, on the other hand, usually serve long enough to witness the outcome of their recommendations. In general, consultants are used to solve specific business problems. A board of advisors develops long-term strategies and policies to prevent problems.

What does an advisory board do?

An advisory board has three main functions:

☐ To help develop policies for the business in any area in which decisionmaking situations arise routinely.

☐ To provide an independent, objective viewpoint on major decisions and to suggest strategies on how to implement them. This is particularly useful for financial decisionmaking.

☐ To assist in the transition of business ownership, whether the business is being sold or passed on to corporate or family successors.

Who should be on the board?

An advisory board should be made up of people who are entirely outside the business. Later, as the business grows, it may be appropriate to include key management personnel in some advisory board discussions.

To ensure objectivity, friends, relatives or business associates should not be included on the board. Customers and suppliers should also be excluded to avoid any conflicts of interest. Competence and trustworthiness are the main criteria for choosing advisors. In addition, advisors should be people who can contribute ideas in a positive and creative manner and who can work well with the owner.

How can you get started?

If you decide to create a board of advisors, take time to research prospects. Get

One operator's experience with an advisory board

"In the restaurant business," says Denise Fugo, "it seems that everyone except the owners has someone to report to. For us, our board members are people to report to."

Fugo and husband Ralph DiOrio are co-owners of City Life Inc., a Cleveland restaurant and catering company that includes the upscale restaurant Sammy's. They believe that setting up a board of advisors was one of the best decisions they ever made. City Life has grown in recent years, and Fugo thinks this growth has been helped a great deal by its advisory board.

According to Fugo, one advantage that large firms have over small firms is that they put many minds and talents together. Consequently, establishing a board of advisors is a way for smaller firms to gain a similar advantage.

City Life began with a board of three carefully selected advisors and now consists of just two members. "I think it's important to keep your board small," says Fugo. "I went after very successful business people, and I'd recommend the same to anyone. Get someone who is a proven success:

recommendations about outstanding talent from people whose opinions you respect. Look for people whose expertise will complement yours and that of other board members. Look for:

☐ Successful business people

☐ Risk-takers

☐ Strong, but not domineering individuals

☐ Experts in at least one specific area vital to your business

☐ People familiar with your market and industry and

☐ People who are interested, enthusiastic and excited about you and your business.

The most valuable advisors should have marketing, strategic planning and financial management skills. People with these skills can be found in many businesses, but the best are company officers, banking officials, attorneys, accountants at the partnership level, business consultants and professors with practical experience. Do not use business professionals already working with the firm, such as your attorney or accountant. You need outside viewpoints. Before you ask someone to serve on your board of advisors, be sure to discuss your expectations frankly.

The size of your board depends on the size of your company. If your business is small, a board of three advisors is sufficient. In a larger company, the board should not exceed five to seven people to assure free and easy exchange of information and opinions.

How long should board members serve?

There is no set term for advisory board members. Ideally, they serve as long as they are useful. You might want to suggest a probationary period of six months to one year. During this time, you can get to know each other. When your board has been in place for some time, review membership. Do members continue to contribute? Do they prepare for meetings by reviewing material you send ahead of time? Has the business changed so that you need advisors with different skills? Do some members hamper discussion by arguing or wandering from the subject? If the answer to any of these questions is "yes," it's time to change the composition of your advisory board.

Usually, it takes about a year for an advisor to understand enough about your business, its problems and its strengths to be able to offer informed advice. Therefore, if you want to offer limited terms of service, a two-year term is most appropriate. Terms can then be renewed for as long as the relationship continues to be mutually rewarding and useful.

Should board members be paid?

Compensation is often offered as an honorarium for attendance at advisory board meetings. The actual amount differs, but the hourly rate for professionals can be a guide. For example, if you normally pay your business attorney or accountant $75 per hour, you might offer your advisory board members a $300 honorarium for a half-day meeting. Compensation reinforces the idea that advisors are a valued resource.

How can you use your board?

Provide information. Once you assemble your board, you must prepare to benefit from the advice the board members can offer. First, provide the board with a clear and concise company summary. Make sure board members understand the important issues because you want to elicit their best thinking on these subjects.

Initial background information should include:

☐ Balance sheets, profit and loss statements for the past several years and projections for the coming year

☐ A summary of the products and services you provide

☐ Background information on your key customers, suppliers and competitors

☐ Descriptions or examples of your advertising

☐ Background information on your key employees

☐ A copy of your personnel policies and employee manual and

☐ A list of the main issues you see facing the business in the upcoming months and in the years ahead. Indicate which of these issues has top priority.

Send this information to all members of your advisory board at least a week before you hold your first meeting. The better the information you provide, the better prepared your board will be to offer useful advice.

If you can't tell your advisors the full truth about your business, then they can't help you. So if you can't share all, pick new members or give up the idea of a board.

Run meetings effectively. Initially, you may want your advisory board to meet every other month. Frequent meetings will quickly inform members what the company does, how it's doing and what problems it's likely to encounter. Once this information has been absorbed, the board can choose to meet less often, but at least quarterly. If too much time elapses between meetings, members can't stay current with your business or be clear about the issues facing it.

Meetings should be held in a business environment, such as your office or a hotel conference room, and last no longer than three or four hours.

Plan the agenda carefully and indicate a clear starting and ending time. Send the agenda and any background information well before the meeting so members can arrive with a clear idea of the required tasks.

At the meeting, delegate the job of taking minutes. Copies of the minutes, with action notes for each member, should be sent within a week after the meeting. This will remind each member about tasks they have agreed to carry out. The minutes of the meeting will also serve as a record of decisions to help you focus your future activities.

In sum

Most owners of small businesses that are growing or changing could benefit from an advisory board. A good advisory board can expand a business owner's thinking as well as eliminate potential problems. ❑

This article has been adapted with permission from a 1987 business brief prepared by The Greater Cleveland Growth Association.

someone who has been through the up and down business cycles of 20 years or more."

It is not imperative that advisory board members be experienced restaurant people. "I don't think it hurts for them to know about the business, but it may be hard to find a restaurant person in your city who isn't a competitor," says Fugo.

Fugo and DiOrio meet with their board of advisors about four or five times a year—and more often when necessary. "With a small business like ours," says Fugo, "you don't have to be that structured about meeting times. If I have a problem, I feel free to call my advisors." Fugo also thinks that it is important to compensate board members to formalize the professional relationship. City Lights began by paying its advisors $250 per meeting.

Fugo thinks that an advisory board contributes to a company in three ways. "Members of a board act as role models, they are a sounding board for new ideas, and they challenge you on your inventory numbers and your payroll percentages," says Fugo. "Not controlling controllable expenses is what kills most restaurants. We've gotten expenses under control. They've even helped us keep our personal lives in perspective," she adds.

—*Paul Moomaw*

THE MONTEREY WINE

The National Restaurant Association 1988 Monterey Wine Festival brought together restaurateurs, chefs, sommeliers, winemakers, industry executives, and food and wine buffs from all over the United States and Canada. "There was a lot of interaction between participants on both sides of the tables," said a smiling chef, "and that's what the festival is really all about."

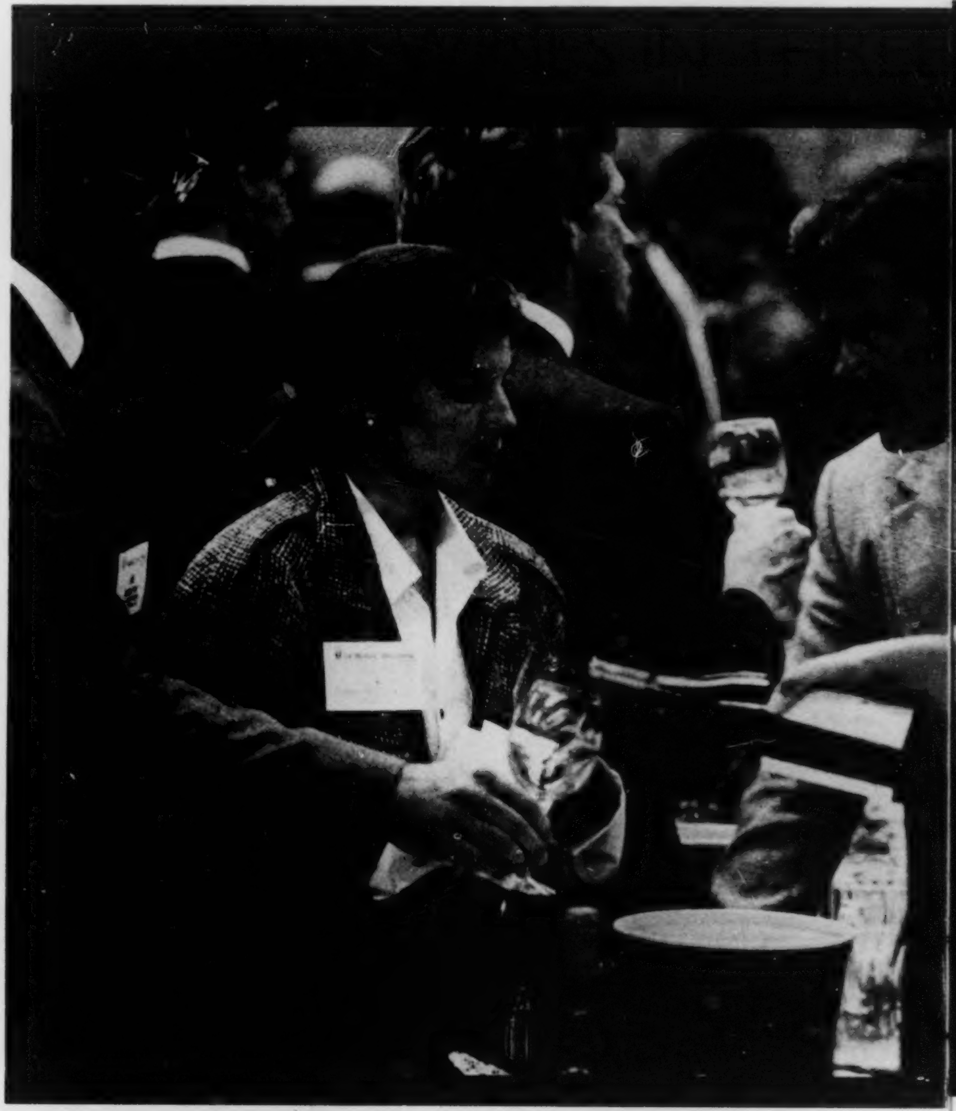
More than 200 top California wineries showcased 800 different wines at major wine and food tastings, panel discussions, special luncheons and dinners. A broad spectrum of California wineries was represented—boutique wineries (with very limited and sometimes exotic products); medium-sized, family-owned wineries with national and foreign distribution; and corporate giants.

Monterey-area restaurants, hotels and caterers put on quite a show at the Monterey Aquarium at Sunday night's opening reception. Under the sponsorship of the Monterey Peninsula Chefs' Association and the Monterey Peninsula Hotel & Restaurant Association, guests were treated to a variety of dishes based on the theme "A Taste of Monterey." There were some wonderful pairings of seafood dishes, meats (including wild boar), fruits and vegetables native to the area, and desserts, accompanied by 102 sparkling and dessert wines provided by 55 wineries.

On the following two evenings, first red (Monday) and then white (Tuesday) wines were tasted at the Monterey Convention Center. It was a serious forum for sampling a variety of wines under neutral conditions. All wineries had standardized table spaces, which were arranged alphabetically. This allowed tasters to respond to the products without regard to a particular winery's size, placement, promotional budget or the ambience of a restaurant setting. "The products speak for themselves," said a pleased winery executive.

by Deborah C. Goldstein

Deborah Goldstein represented ***Restaurants USA*** *at the festival. Based in Sacramento, California, she frequently writes about wine.*



With all wineries represented either by winemakers or owners, there was, however, a definite electricity in the room and a lot of friendly banter.

Because so many fine wines were available, tasters had difficulty trying everything. One could either make some active choices and visit only certain wineries, or amble up and down the aisles picking and choosing as one pleased. There was a lot of sniffing, swirling, spitting and notetaking. For many wine and food buffs, it was an opportunity to *really* sample, and palates reached their limits long before everything could be tried.

Wine-and-food pairing and tasting continued throughout the festival, highlighted by winemaker lunches on Monday. These included Eberle Winery at Hammerheads Restaurant, Buena Vista Winery at Highlands Inn, Jordan Winery at La Playa Hotel, Callaway Winery at Monterey Plaza Hotel, Sequoia Grove at Rancho Canada Golf Club, William Hill Winery at Quail Lodge and Sam J. Sebastiani Winery (now Viansa) at Spanish Beach. These were smaller, more intimate gatherings where the winemakers presented their knowhow and fielded some tough questions from an audience of knowledgeable restaurateurs, retailers, distributors and members of the press.

All attendees at the conference had the opportunity to experience a wine-and-food pairing. The "Go for the Gold Luncheon" for 600 was prepared by U.S. Culinary Olympic Team chefs and featured three varietals produced by 14 wineries in the Monterey area. The first course—a wild boar sausage—was paired with Cabernet Sauvignons from Jekel Vineyards, Durney Vineyards, Smith & Hook,

[illegible] con- [illegible] the Monterey Wine Festival [illegible] an opportunity [illegible] the vast viticultural variety of California.

Monterey Peninsula Winery, Monterey Vineyards and San Saba. The next course—a sauteed seafood cake of scallops, prawns and Dungeness crab with roasted red pepper sauce—was accompanied by Castroville (Monterey Peninsula) artichoke bottom with ratatouille and wild rice, and corn waffle pancake with tomato concasse. This course was paired with Chardonnays provided by La Reina, Paul Masson, Chateau Julien, Wente Bros. and Crystal Creek. Dessert—an almond praline basket with fresh strawberries (Watsonville) and white chocolate mousse—was served with Rieslings supplied by Domaine San Martin, Mirassou Winery and J. Lohr Winery.

All of the dishes were attractively presented and garnished. The boar sausage was nicely spiced and went well with the rich Cabernets, although Cabernet as a first-course luncheon wine was initially surprising. The seafood cake took on different tastes depending on the particular Chardonnay it was tasted with. This pointed out that even when wines come from the same general geographic area, their styles and tastes differ, and the choice comes down to an individual preference. The Rieslings also varied greatly as to style and sweetness—here again a matter of individual taste.

Following the "Go for the Gold Luncheon" presided over by National Restaurant Association President Michael Grisanti, guests had the opportunity to participate in an auction by Christie's (of New York). Auctioneer Christopher Hartop gaveled his way through 150 California wines. This unusual "big-bottle auction" benefited the Andre Tschelistcheff Scholarship Fund to further enological and viticultural studies.

The auction featured many wines that cannot easily be found other than in private cellars and collections, such as large bottles—imperials, magnums and double magnums, jeroboams, salamazars and methusalahs—as well as private reserve wines, "library wines" (wines no longer available), etched bottles, artists' series and verticals (the same varietal from the same producer of successive vintage years). Bidding was spirited, egged on by "assistant" auctioneer Fred Dame, master sommelier at The Sardine Factory in Monterey. Art was included in the auction with drawings, etchings and seriographs commissioned by wineries or executed by some winemakers themselves. This year's auction raised $39,000 for the scholarship fund—bettering last year's efforts and assuring continued help to deserving students. ☐

MERCHANDISING WINE—Pointers from the Festival

"The Monterey Wine Festival serves as a comprehensive crash course for operators serious about wine merchandising," said festival chairman Michael E. Hurst, owner of 15th Street Fisheries, Ft. Lauderdale. And much of the information was shared during the festival's educational sessions.

Festival panelists, who included a broad spectrum of experienced restaurateurs and industry executives, agreed that the American public is still greatly intimidated by wine—how to pronounce it, when to drink it, how to buy it, what it should taste like, what you should eat with it. This intimidation extends to owners, managers and servers and inhibits their ability to merchandise and promote wine. Here are some pointers on how to turn the situation around.

A trained staff. Perhaps the most important element in the promotion and merchandising of wine is to employ and train servers who enjoy serving wine.

Servers should taste and understand the wines they are selling and how those wines pair with the restaurant's menu items. Training is the key to sales confidence. If the sales force is ignorant of a product, it won't sell. Operators fear that training takes too much time, but it doesn't have to. Most successful wine lists sell only 20 percent of the total wines on the list. For example, with a list of 60 wines, a staff may only be conveying information about the 12 most popular wines most of the time.

Four to six training sessions are usually enough to sell wine effectively. Wine consultant and master sommelier Joshua Wesson begins with basic tasting. "I don't use wine for the first session. I take something they all know and can speak about intelligently so that they can come to some basic decisions about texture, flavor, weight and body. For example, with heavy cream, skim milk and regular milk you can discuss texture; with strong or weak tea you can discuss astringency and bitterness; with variously diluted sugar water you can discuss sweetness; with diluted lemon juices you can discuss acids. There you have it—acids, sweetness, weight—all three apply to wine. The remaining training can be used to develop vocabulary and understanding of wines on the list."

Direct contact with suppliers. "The key to purchasing wine is direct contact with vintners, negotiants, shippers and wholesalers. You have to stay in pretty close contact with your distributors; they control the wines—especially the hot wines. If you are not doing a reasonably good business with them, and a new wine comes out that you want because it is 'hot,' you take a back seat," said Nunzio Alioto, master sommelier and owner of Alioto's, San Francisco. "We don't buy everything from a distributor; some is bought direct. A lot depends on my relationship with a distributor. If I respect his opinion and his information, that has some bearing on what I buy. If I don't know the salesman, I ask him to leave samples, and I make the decision with my staff," continued Alioto.

Tastings. Most operators agreed that tastings for inclusion of wines on wine lists should be blind and nonprejudicial, based on perceived quality for value. In some large corporate situations, however, the personal preferences of industry executives play a role.

When Steve Cousins first came to Spectrum Foods, Inc. in San Francisco as operations director and winemaster, he decided to taste all wines coming in from distributors and developed statistical programs to keep track of results. "With the move from six to 14 restaurants, this method didn't work—fatigue won out. We began instead putting wines on the list that the winemaster, manager and chef liked. This was a lot more exciting and produced better quality wine lists and profits, too." Today wine sales at the 14 Spectrum restaurants represent 20 percent of alcoholic beverage sales or $9 million.

With one word, "passed," the president of the Court of Master Sommeliers announced that Lawrence Stone, sommelier at the Four Seasons Olympic Hotel in Seattle, had earned the coveted title of Master Sommelier.

Fred Dame, master sommelier at The Sardine Factory in Monterey, gave a helping hand at the auction presided over by the internationally renowned Christie's auction house. The event featured more than 150 big-bottle California wines, as well as original drawings.

The most important part of the selection process is to treat wine as a beverage first, and cater to the up-to-now totally ignored potential wine drinkers. "Wine is not yet a common beverage in America. Statistics show that 70 percent of the wine consumed in the United States is by 5

"In Europe, most people don't know a lot about wine, but they drink it and enjoy it. They drink plonk, vin ordinaire, inexpensive wines, etc. They don't have any more experience with the great growths of France or the great wines of the world than the average American—perhaps even less. The real qualitative difference between how people regard wine and food here and there is that they regard wine as a condiment, like salt or pepper—you use them or you don't, based on the appropriateness of the moment. Wine should be treated in the same way."
—Joshua Wesson, wine consultant

"If the U.S. waitstaff could be educated just one little notch, the impact on wine in this country would be dramatic."
—Steve Cousins, Spectrum Foods

"Right now, the only real competition to Chardonnay is iced tea."
—Dieter Vogt, St. Louis Club

The lots were plentiful and the bids high during the auction held Tuesday at the Monterey Conference Center. The auction, a highlight of the festival, raised a total of $39,000 to be donated to the Andre Tchelistcheff Scholarship Fund to further enological and viticultural studies.

National Restaurant Association officers past and present enjoy the gala opening night "Taste of Monterey" reception, held at the spectacular Monterey Bay Aquarium and featuring champagne and dessert wines as well as foods from Monterey's finest restaurants. From the left: Association Executive Vice President Bill Fisher, Past President Ted Balestreri, Treasurer Bud Rusitzky, and President and Chairman of the Board Michael Grisanti.

percent of the population. People who don't drink wine don't care about taste tests or wine authority endorsements. They want to enjoy what they are drinking. You don't have to be a member of a secret wine society to enjoy a glass of wine with dinner," says Dieter Vogt, general manager of the St. Louis Club in St. Louis, Missouri.

Wine lists. The wine list can be an excellent merchandising tool for selling and promoting wine or a stumbling block—second only to a poorly trained staff. All the panelists observed that wine lists are getting shorter, and in many cases they are getting friendlier.

Stuart Allan, president of Buzzards Food & Wine Bar in Calgary, Canada, said he is merchandising wine by using a new list "sorted out by taste categories, such as light, dry reds, full, rich, gutsy dry reds, etc., so the customer can choose by taste rather than by varietal." Warren Arsenaux, general manager of Victoria Country Club in Victoria, Texas, uses table tents to describe wines and make recommendations for pairing with foods.

Other operators are taking the "fear out of the wine list" by producing lists on one sheet of paper or on a chalkboard, or they are printing them on laser printers.

Wine lists have loosened up the same way that food menus have loosened up—with mixing of cuisines and concepts. Operators aren't putting just classic wines of the world on their lists or "one of everything." You can have a good wine list with just California wines or Australian wines.

Wine-by-the-glass. Wine-by-the-glass programs were debated, and it was generally felt that a whole range of wines can be offered without having to inventory too many. Some operators offer their entire wine list by the glass. Others maintain that wines-by-the-glass take away from bottle sales. However, in some operations, wine sales by-the-glass represent 50 percent or more of wine sales.

Pricing. Pricing has changed. When wines first became popular, the markup was three times the cost. Then it went to five or six times the cost. People rebelled, and prices were lowered to sell wines. "Two times wholesale markup is a pretty good average," says wine consulatant and master sommelier Ronn Weigand, "depending on the establishment, marketing and promotions. Less than that and you won't stay in business." ☐

FISHER'S LAW

#91

Legislative proposals!

The federal government is forever proposing and passing legislation, apparently under the assumption that there are not enough laws on the books to regulate the actions of its citizenry. Here are some proposals that our elected officials should consider enacting into law.

1. Minimum productivity law. More than 50 years ago, Congress passed a minimum wage law, ostensibly designed to insure that working people would not be paid less than a nationally standardized wage. That minimum has been raised periodically, and there is a current proposal to raise it once again. This is a political sophistry, since it deals with only one element of the business equation—wages—and does not take into account productivity and revenues.

To be fair, Congress should pass a "minimum productivity law" to keep things on an even keel. For example, if the minimum wage were to go up 40 percent over three years, then a law should be passed that would mandate a 40 percent increase in productivity over the same period of time. Thus if you presently work 10 hours a day, you would be required to work 14 hours a day (a 40 percent increase) under the new law to keep pace.

As you know, Congress never passes laws that create an incentive for fraud; but if you didn't like the idea of working 14-hour days, you could immediately scale back your workday to seven hours and nine minutes so that when the 40 percent increase in the minimum productivity law went into effect, it would move you back to your original 10-hour-a-day schedule. You can achieve this disemployment by spending more time at the water cooler, or more time with your feet on the desk, by arriving later, leaving earlier, etc.

2. Minimum revenue law. As a clear alternative to the "minimum productivity law," Congress could pass a "minimum revenue law." After all, it's only fair that if Congress is going to mandate a cost, it should also mandate a revenue. A 40 percent increase in the minimum wage should be accompanied by a 40 percent increase in minimum revenues. No one would be allowed to report less than that. Thus, a $1 million business would be required to report $1.4 million in revenues. This could be policed by the Revenue and Time Division of the Department of Commerce, which would be housed next to the Wage and Hour Division of the Department of Labor. Compliance regulations would be part of a Fair Management Standards Act (FMSA), which would be the counterpart of the Fair Labor Standards Act (FLSA). A minimum revenue law would solve the budget deficit and national debt problems in no time.

3. Federal workdays. There are currently 11 federal holidays that have been established by the government (Independence Day, Columbus Day, Labor Day, etc.). To be fair, Congress should mandate that there be an equal number of recognized federal workdays when work would be mandated. No one would be allowed to take vacation, be sick, go on a leave of absence or otherwise be away from work on those days.

For ease of administration, these mandated federal workdays should occur the day before or the day after the federal holidays to reduce shutdown and startup costs. Anyone found absent on a federal workday would be fined double-time or at least time-and-a-half.

4. Management Day. The government recognizes the first Monday in September as Labor Day. Out of fairness, it should also recognize a "Management Day" to pay tribute and respect to the dignity of American management. I suggest April 15 as the day, since that is the tax return due date, and management is ultimately responsible for generating those profits, salaries and wages that result in taxes paid.

5. Emigration law. In 1986 Congress passed an immigration law. There is no question that we have to get control of our borders—both in and out. That being the case, Congress should pass an "Emigration Law." Under this law, U.S. residents would not be allowed to leave the country for any purpose without first registering with their employers three years in advance of the departure date or one year before employment with the company begins, whichever is shorter. The individual would be required to retain these records for several years, and would be fined $2,500 for the first offense and $2,500 to $10,000 for the second offense. For the third offense, the penalty would be 20 years in the electric chair.

6. Infant arrival. Congress is currently considering a "parental leave" bill. It should also consider an "infant arrival" bill to keep things equitable. Under the infant arrival bill, the newborn would be allowed to come to work with the father or mother (or both, in the case of twins) for up to 10 weeks. The infant would retain all the benefits of home, such as rattles and diaper changing. At the end of 10 weeks, the infant would have to be returned to the same position from which he/she was first removed, or, if that space were no longer available, then the baby would have to be placed in an equivalent position.

Because it seems the government often takes sets of circumstances and turns them into negatives, this *Fisher's Law* is really directed toward the government.

Fisher's Law #91. ***Let the free marketplace operate freely.***

UNTIL THERE IS
NO LONELINESS,
NO DESTITUTION,
NO SICKNESS,
NO WAR...
Contact your local chapter to see how your organization can help

American Red Cross

Ad Council

Fifty-five to 64-year- olds

Fifty-five to 64-year-olds, comfortable financially and with fewer major expenses than baby boomers, are among the consumers being heralded as the "mature market." More than ever before, restaurant operators are realizing the profit potential of targeting this segment of the population. With high per-capita incomes, the 55 to 64-year-old age group has become a lucrative source of business in today's restaurants.

Demographics

□ **Income.** Still in their peak earning years and with fewer household members than younger age groups, 55 to 64-year-olds have the highest per-capita household income of any age group, according to the Bureau of the Census. At $14,299 in 1986, per-person income for this group was well ahead of the $13,331 and $11,039 recorded by 45 to 54-year-olds and 35 to 44-year-olds. In addition, discretionary income* for these consumers is very high relative to that of younger households. Among households with discretionary income, those headed by 55 to 64-year-olds had the highest per-person levels, topping all younger age groups, according to a 1985 Census Bureau/Conference Board joint study. Only consumers 65-years-old and older had higher levels of per-capita discretionary income, indicating that older consumers have a great deal of buying power. As further evidence of the economic power held by 55 to 64-year-olds, the Census Bureau reported that households headed by these consumers account for a disproportionately large share of total U.S. income.

Income is spread less evenly within this age group, however. Whereas just 11 percent of all households headed by 45 to 54-year-olds earned less than $10,000 in 1986, nearly one-fifth of all households headed by 55 to 64-year-olds were in this income bracket. And fewer households earned more than $50,000 per year among 55 to 64-year-olds than among 45 to 54-year-olds.

As individuals approach retirement age, buying power becomes concentrated into fewer hands. The percentage of consumers with discretionary income declines among individuals past the age of 59, according to the Census Bureau/Conference Board study. Almost 41 percent of all households headed by 55 to 59-year-olds had discretionary income in 1982, the highest level of any age group. In comparison, 33 percent of households headed by 60 to 64-year-olds and 27 percent of households headed by those older than 65 had discretionary income.

Households headed by 55 to 64-year-olds have the highest per-person income

Age of householder	Annual income
Under 25	$ 7,950
25 to 34	10,117
35 to 44	11,039
45 to 54	13,331
55 to 64	14,299
65 to 74	12,096
75+	10,144

Source: Bureau of the Census

□ **Restaurant expenditures.** Fifty-five to 64-year-olds in the highest income bracket, earning more than $40,000 per year, top all consumers in restaurant spending, according to the Bureau of Labor Statistics (BLS) *1985 Consumer Expenditure Survey.* Members of these households devoted 43 percent of their food dollar to food away from home. In comparison, 55 to 64-year-olds from households earning $15,000 to $19,999 per year spent 26 percent of their weekly food budget on restaurant meals.

On average, households headed by 55 to 64-year-olds spend one-third of their food dollar on food away from home, a slightly lower percentage than for households headed by 45 to 54-year-olds. They spend less than their younger counterparts (excluding those under age 25) in dollar terms as well. In 1985, households headed by 45 to 54-year-olds spent $28.27 weekly on restaurant food, compared with $20.63 weekly for 55 to 64-year-olds. These figures, however, do not take household size into consideration. Af-

Restaurant expenditures by 55 to 64-year-olds were higher than the average for all age groups

Age group	Dollars per week
Under 25	$9.79
25-34	$7.50
35-44	$8.43
45-54	$9.42
55-64	$8.97
65-74	$7.49
75+	$5.34
All age groups	**$8.20**

Source: *1985 Consumer Expenditure Survey,* Bureau of Labor Statistics, 1987

**The Census Bureau/Conference Board study defines discretionary income as the amount of money that would permit a family to maintain a living standard comfortably higher than the average for similar families.*

Fifty-five to 64-year-olds account for a large share of midscale visits

Age group	Quickservice	Midscale	Upscale	All restaurants
25 to 34	24%	17%	21%	22%
35 to 44	17	15	19	17
45 to 54	10	16	17	12
55 to 64	8	17	15	11

Source: National Restaurant Association CREST survey, 1987

ter adjusting for fewer members in older households, 55 to 64-year-olds appear to be among the greatest dollar spenders on restaurant meals. Their $8.97 per-capita weekly expenditure for food away from home was the second-highest spending level among consumers above age 25.

□ **Family life.** Smaller household size is the most prominent characteristic of consumer units headed by 55 to 64-year-olds. Six out of 10 family households headed by consumers in this age group consist of only two people, and eight out of 10 consist of two or three members. In contrast, just three in 10 households headed by 45 to 54-year-olds are made up of two members, and an almost equal percentage are four-person units. The smaller household size among 55 to 64-year-olds is largely due to the absence of children.

Only 11 percent of family households headed by 55 to 64-year-olds have children under 18 living at home, compared with 43 percent of 45 to 54-year-old households. With no children living at home, these "empty nesters" visit restaurants according to their own needs. And with substantial incomes and discretionary funds available, 55 to 64-year-olds face a wide array of dining choices.

Although these households are marked by a lack of young children, there are a substantial number with older children living at home. In 1986, nearly 20 percent of the households headed by 55 to 64-year-olds included children between the ages of 19 and 24. This group of households, called "crowded nesters," is a mysterious one in that little is known about their spending habits. For example, these children may be contributing to household income, or they may be living at home in order to save money, thus increasing their own discretionary income but adding nothing to their parents' income. In the latter case, two separate consumer units may be living under one roof.

> ***After adjusting for fewer members in older households, 55 to 64-year-olds appear to be among the greatest dollar spenders on restaurant meals. Their $8.97 per-capita weekly expenditure for food away from home was the second-highest spending level among consumers above age 25.***

Quickservice operations accounted for the majority of traffic growth between 1982 and 1986

Total	4%
Quickservice	15
Midscale	−8
Upscale	8

Source: National Restaurant Association CREST survey, 1987

□ **Workforce participation.** The 55 to 64-year-old age group is marked by a sharply lower labor force participation rate than that of younger age groups. While nearly 80 percent of all 45 to 54-year-olds were either employed or looking for work in 1987, only 54 percent of 55 to 64-year-old men and women were part of the labor force, according to BLS data. Only seven in 10 men and less than half the women between the ages of 55 and 64 were members of the labor force during 1987—well below the 91 and 67 percent rates for 45 to 54-year-old males and females, respectively.

The lower labor-force-participation rate for 55 to 64-year-old individuals is most likely due to retirement. According to the BLS, of persons not in the labor force, 42 percent of 55 to 64-year-olds were not working for "other reasons" (which includes retirement), compared with 21 percent of 45 to 54-year-olds. The sharp difference between the two age groups may indicate that more members of the elder group are opting for early retirement.

Midscale restaurant usage high

Although quickservice establishments are the most popular restaurant type with 55 to 64-year-olds, midscale restaurants are visited nearly as often. According to a CREST special report, midscale restaurants accounted for 40 percent of all restaurant visits by 55 to 64-year-olds in 1986, compared with just 23 percent for those aged 35 to 44. Although individuals between the ages of 55 and 64 represented 11 percent of total restaurant traffic in 1986, they accounted for 17 percent of all visits to midscale operations—a higher share than for any younger age group. Within the midscale segment, full-menu operations, cafeterias and hotel restaurants are more popular with this age group than with younger consumers.

Upscale restaurants are also popular with 55 to 64-year-olds, representing 11 percent of their restaurant visits in 1986. Between

1982 and 1986, persons 55 to 64 years old accounted for 12 percent of the total traffic growth at upscale establishments. Within the upscale segment, varied-menu restaurants accounted for nearly half of all visits. Hotel and fish/seafood restaurants are also popular. Upscale ethnic restaurants, however, appear to be less popular with this age group, especially among females.

Although females in younger age groups visited upscale Mexican and Asian restaurants more frequently than males did in 1986, the opposite was true for 55 to 64-year-olds. In fact, a sharp decline in the share of visits to ethnic establishments occured between females aged 45 to 54 and those aged 55 to 64. Forty-five to 54-year-old females visited Mexican and Asian eateries on 8 percent of all restaurant occasions in 1986 compared to 5 and 6 percent, respectively, for women between the ages of 55 and 64.

Breakfast foods, fish, beef, chicken and pasta are especially popular with 55 to 64-year-olds

	35 to 44-year-olds	**45 to 54-year-olds**	**55 to 64-year-olds**
Breakfast foods	19.9%	24.5%	28.4%
Sandwiches*	33.2	29.4	28.6
Hamburgers	17.9	14.7	13.2
Beef	4.2	6.4	8.1
Fish/seafood	5.2	7.2	8.8
Chicken	8.2	8.9	9.5
Pizza	11.9	8.3	5.6
Pasta	1.9	2.4	2.9
Mexican	4.1	3.5	2.8
Asian	2.9	2.8	2.7
Main-dish salads	4.5	6.3	6.6
Desserts	11.9	11.8	13.0

**Sandwich category includes hamburgers*

Source: National Restaurant Association CREST survey, 1987

Quickservice segment growing fastest

Although 55 to 64-year-olds visit quickservice restaurants less often than younger consumers do, quickservice is nevertheless the fastest-growing dining segment for this age group. While total restaurant visits by 55 to 64-year-olds increased just 4 percent between 1982 and 1986, visits to quickservice establishments rose 15 percent. Still, the 55 to 64-year-old age group is not a driving force behind total quickservice growth, accounting for less than 5 percent of the change in traffic between 1982 and 1986.

Quickservice establishments account for a full half of all restaurant visits by 55 to 64-year-olds, with hamburger, chicken and pizza operations being the most popular in the segment. Quickservice hamburger and chicken restaurants are, in fact, more popular with these older consumers than with younger ones. While 55 to 64-year-olds went to chicken operations on more than one in 10 quickservice visits, 35 to 44-year-olds frequented chicken restaurants on 7 percent of all quickservice occasions. Pizza places, however, are less popular with these older consumers than with younger ones.

Takeout used less by 55 to 64-year-olds

In 1986, 27 percent of all restaurant visits by 55 to 64-year-olds were for takeout, a lower rate than the 34 and 45 percent takeout shares for consumers aged 45 to 54 and 35 to 44, respectively. Further underscoring the lesser role of takeout with the 55 to 64-year-old age group is their small contribution to takeout growth. Between 1982 and 1986, this age group represented less than 5 percent of the total growth in takeout traffic. In comparison, 35 to 44-year-olds accounted for one-quarter of all takeout growth. But even though the takeout market is smaller for 55 to 64-year-olds than for younger consumers, it is dynamic. Takeout traffic grew more than 10 percent between 1982 and 1986 while on-premises dining advanced by only 2 percent.

Grocery-store takeout

Grocery stores are a popular source of takeout food for 55 to 64-year-olds. According to the National Restaurant Association study,

Fifty-five to 64-year-olds are least inclined to use takeout, but when they do, they opt for carryout

	35 to 44-year-olds	**45 to 54-year-olds**	**55 to 64-year-olds**
Takeout share of traffic	45%	34%	27%
Takeout by service type:			
• Drive-thru	27	26	23
• Carryout	68	69	73
• Delivery	6	5	4

Source: National Restaurant Association CREST survey, 1987

The Takeout Market, one in five consumers between the ages of 55 and 64 purchased their most recent takeout meal from a grocery or convenience store. In contrast, only 8 percent of the 35 to 44-year-olds surveyed had visited a grocery or convenience store for such a meal.

The high incidence of takeout food bought from grocery stores may be due to diner perceptions. A study of the takeout market by the Food Marketing Institute (FMI) found that supermarket takeout food is perceived as fresher, of higher quality, healthier, more nutritious and a better value for the money than is restaurant takeout. The absence of young children in households headed by 55 to 64-year-olds may be another factor contributing to the popularity of grocery-store takeout. The FMI study revealed that children find restaurant takeout food more appealing than supermarket takeout by a wide margin. Without the need to satisfy the demands of children, 55 to 64-year-old consumers may be asserting their own desires by frequenting grocery stores more often for takeout meals.

Traditional menu preferences

Fifty-five to 64-year-olds exhibit more traditional menu preferences than do younger consumers. Apart from sandwiches, which are popular with all consumers, 55 to 64-year-olds most frequently order chicken, fish/seafood and beef. In 1986 beef was ordered by these individuals nearly twice as often as by consumers between the ages of 35 and 44. Breakfast foods, too, were more popular with 55 to 64-year-olds than with younger restaurant patrons. In contrast, pizza was ordered more often by younger consumers than by individuals aged 55 to 64. While 45 to 54-year-olds ordered pizza on more than 8 percent of their restaurant visits, 55 to 64-year-olds chose pizza on 5.6 percent of all restaurant occasions.

Although 55 to 64-year-olds have traditional restaurant tastes, large increases have occurred in orders for ethnic dishes. Between 1982 and 1986, orders of pizza by these consumers jumped 64 percent. Orders for pasta, Mexican and Asian dishes rose by 47, 23 and 45 percent, respectively. In fact, the 55 to 64-year-old age group accounted for 13 percent of the growth in total Asian food orders and 17 percent of the growth in total pasta orders between 1982 and 1986.

Breakfast menu items also showed an increase between 1982 and 1986, with orders rising 19 percent. By comparison, 55 to 64-year-olds ordered less dessert, sandwiches, fish/seafood and beef in 1986 than in 1982.

In sum

Fifty-five to 64-year-olds represent a unique group of restaurant diners in terms of both their demographic characteristics and their away-from-home eating behavior. Somewhat more traditional than their younger counterparts, these older consumers have nonetheless jumped on the ethnic-food bandwagon, showing that they are open to new restaurant trends. And with their relatively large per-capita incomes, these consumers are certain to be a force behind restaurant trends in the future.

—Laurence Greenberg

Good fortune for Asian restaurants

Since 1982, growth in the Asian restaurant segment has escalated, outdistancing overall industry gains. Although traffic counts at quickservice and upscale Asian restaurants have soared, midscale restaurants continue to hold the largest share of the Asian market. Asian restaurants, particularly quickservice, have actively courted takeout customers.

Asian restaurant traffic growth has exceeded the industry average by far

	All restaurants	**Asian restaurants**
All segments	14%	57%
Quickservice	26	131
Midscale	−8	33
Upscale	9	42

Source: NPD CREST, *Annual Household Report, 1982, 1987*

Asian restaurants have clearly benefited from increased consumer interest in ethnic foods. Between 1982 and 1987, traffic counts at Asian restaurants leaped 57 percent, while the restaurant industry as a whole recorded a 14 percent gain. Overall, Asian restaurants accounted for 8 percent of the increase in total industry traffic, and they hiked their share of total restaurant traffic from 1.9 percent in 1982 to 2.6 percent in 1987.

Focusing on the takeout market

Asian restaurants have also ridden the wave of consumer interest in takeout.

Quickservice Asian restaurants, in particular, have concentrated on catering to the takeout buyer. In 1987 nearly 80 percent of patrons at quickservice Asian restaurants ate off-premises, compared with 60 percent for the entire quickservice segment. Most quickservice Asian customers (59 percent) chose to eat at home, but a small percentage (1 in 9) consumed their Asian food at work. Only 21 percent of all quickservice Asian patrons dined within the establishment.

An overwhelming majority of customers at quickservice Asian restaurants ordered their meal at the counter or by phone. Two out of three patrons selected their purchase at a counter within the establishment, while one in five ordered their meal by phone.

Even though takeout represents most of the quickservice Asian business, these establishments provide minimal drive-thru or

Counter top service predominated at quickservice Asian restaurants in 1987

	At the counter	At the table	In the car	Phone carryout	Phone delivery
Quickservice Asian restaurants	65%	4%	5%	21%	5%
Midscale Asian restaurants	18	67	1	11	2
Upscale Asian restaurants	7	79	0	12	1

Source: NPD CREST, *Annual Household Report, 1987*

Asian restaurants are well below the industry average when it comes to offering promotions

	All restaurants	Asian restaurants
Quickservice	22%	7%
Midscale	14	8
Upscale	13	9

Source: NPD CREST, *Annual Household Report, 1987*

delivery service. In 1987 only 5 percent of customers at quickservice Asian restaurants used a drive-thru to pick up their purchases. In contrast, 19 percent of all quickservice patrons ordered their meal from the car. Another 5 percent of quickservice Asian restaurants had their orders delivered.

Midscale and upscale Asian restaurants depend more on on-premises eating. In 1987, roughly 75 percent of customers at midscale and upscale Asian restaurants consumed their meals inside the establishment.

However, the percentage of patrons eating midscale and upscale Asian food off-premises was higher than for midscale and upscale restaurants as a whole. In 1987, 25 percent of midscale and 20 percent of upscale Asian orders were eaten off-premises. For all restaurants, only 14 percent of midscale and 6 percent of upscale meals were eaten off-premises. As with takeout food ordered at quickservice Asian restaurants, most midscale and upscale takeout orders were either purchased at the counter or called in and then picked up at the counter. Customer use of delivery and drive-thru services at midscale and upscale Asian restaurants was minimal.

Midscale dominates

Despite large traffic increases at quickservice and upscale establishments in 1987, midscale restaurants continued to hold the largest share of traffic at Asian restaurants—39 percent. In fact, between 1982 and 1987, when the midscale market as a whole experienced a decline in traffic, midscale Asian restaurants recorded a 33 percent increase in customer traffic. Midscale Asian restaurants have also expanded their customer base. Since 1982, the number of households eating at midscale Asian restaurants in an average two-week period has increased by more than 20 percent.

Quickservice—the growth leader

Asian quickservice restaurants have made vast gains in traffic, despite being a minor presence in the large quickservice market.

From 1982 to 1987, traffic counts more than doubled at quickservice Asian restaurants, compared with a 26 percent advance for the entire quickservice market. More people than ever before are dining at quickservice Asian restaurants. This influx of new customers has pushed the proportion of households eating at quickservice Asian restaurants up to 1.7 percent in an average two week period, boosting quickservice's share of Asian restaurant traffic to 31 percent in 1987. According to National Restaurant Association research, those most likely to frequent Asian quickservice restaurants are 18 to 24-year-olds, college graduates, singles and those living in the western United States.

Upscale Asian restaurants—driving the upscale market

Upscale Asian restaurants have become a major force in the upscale market. Asian restaurants held more than 9 percent of all upscale traffic in 1987, the largest share held by Asian restaurants in any segment. Increased consumer interest in upscale Asian restaurants is one of the main factors behind the growth in the overall upscale market since 1982. Traffic gains at upscale Asian restaurants from 1982 to 1987 accounted for more than 34 percent of total upscale traffic advances for the period. Upscale Asian restaurant traffic climbed 42 percent, compared with 9 percent for the entire upscale market.

Slow to jump on the promotional bandwagon

Asian restaurants offer promotions far less often than do other types of restaurants. Among Asian segments, upscale restaurants were the most likely to use promotions. Conversely, CREST figures show that, overall, quickservice is the most likely segment to employ promotions and upscale is the least likely.

In 1987 deal occasions at quickservice Asian restaurants reached 7 percent, compared with 22 percent for the overall quickservice segment. The percent of promotional occasions at midscale and upscale Asian restaurants were 8 and 9 percent, respectively—figures well below their segment averages. Although the use of deals at Asian restaurants is below the industry average, Asian restaurants have stepped up their promotional efforts. From 1982 to 1987, the percentage of customers using promotions at quickservice Asian restaurants has nearly tripled, and it has almost doubled at midscale and upscale Asian restaurants.

Asian dining is primarily a dinnertime occasion

	Lunch	**Dinner**	**Snack**
Quickservice Asian restaurants	32%	65%	3%
Midscale Asian restaurants	38	61	2
Upscale Asian restaurants	31	66	2

Source: NPD CREST, *Annual Household Report, 1987*

Growth in average check size has been slow at Asian restaurants

	Average per-person check	
	1982	**1987**
Quickservice Asian restaurants	$3.70	$4.17
Midscale Asian restaurants	5.70	6.13
Upscale Asian restaurants	7.87	8.12

Source: NPD CREST, *Annual Household Reports, 1982, 1987*

Dinner dominates

Consumers are most likely to frequent Asian restaurants at dinner, although, since 1982, there has been a slight shift toward lunchtime eating. In 1987 about two-thirds of eater occasions at quickservice, midscale and upscale Asian restaurants were for dinner. By comparison, dinner captured 41 percent of eater occasions for all restaurants. Slightly less than one-third of the eater occasions at quickservice and upscale Asian restaurants were for lunch. Midscale was the most likely of Asian segments to attract the luncheon patron. In 1987, 38 percent of eater occasions at midscale Asian restaurants were for lunch.

Asian food—not what it used to be

Asian fare in the United States has changed enormously over the last decade. The American diner's interest in Asian food 10 years ago focused on egg foo yong, fried rice, fried shrimp, chow mein and chop suey, a dish invented especially to whet the American appetite. Today, Asian cuisine in the United States ranges from the exotic (Bird's Nest, Shark Fin and Sea Slug dishes) to the sizzling hot (Hunan and Szechuan-styled dishes) to the eclectic (dishes featuring a combination of foods, presentation, styles and cooking techniques).

Chinese and Japanese immigrants were the first to introduce Asian food to the U.S. market. Vietnamese, Malays, Koreans, Laotians, Filipinos and Thais have followed, each bringing native-styled cuisine with their own ethnic touch. These immigrants have flocked to major urban centers and started their own restaurants. Such diverse Asian food tends to be popular among city dwellers, who eat out frequently. Many of these consumers now incorporate Asian food and preparation techniques in their home cooking.

Snacking at Asian restaurants was minimal, although quickservice Asian restaurants did attract some snackers. Virtually no consumers visited Asian restaurants for breakfast.

Who eats at Asian restaurants?

CREST data reveal that Asian restaurants are most popular among young and affluent professionals. A demographic profile of Asian restaurant customers indicates that they tend to be 25 to 34-year-olds from households with an annual income exceeding $40,000. Couples that frequent Asian restaurants are usually both employed. These groups are highly motivated by convenience when considering away-from-home food purchases, and they also enjoy ethnic foods.

Among Asian foods, Chinese is the most popular. According to the National Restaurant Association study *Consumer Preferences for Ethnic Foods in Restaurants,* Chinese is the second most popular ethnic food overall, behind Italian. Twenty-three percent of respondents indicated that Chinese was their top ethnic food choice.

Check size growth slow

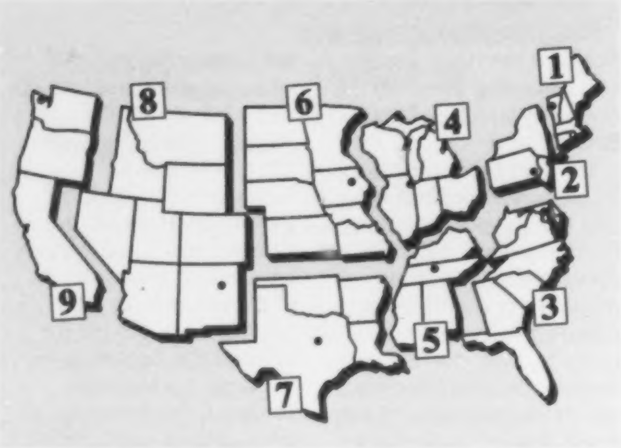
From 1982 to 1987, gains in per-person average check size at Asian restaurants lagged behind growth in check size for the industry as a whole. Among Asian segments, the average check size increased the least at upscale establishments—up only 3 percent between 1982 to 1987, compared with an 8 percent rate for all upscale restaurants. Growth in average check size at midscale Asian establishments was less than half of that for all midscale establishments. Quickservice led all Asian restaurants in check size increases with a 13 percent rate, yet was easily outpaced by the 21 percent growth rate recorded by the overall quickservice segment.

Several factors may help explain the relatively small advances in average per-person check size at Asian restaurants. All three Asian segments saw a shift toward more lunchtime eating from 1982 to 1987, whereas the restaurant industry as a whole has experienced a movement towards dinner. Also, the large increase in the number of promotions offered at Asian restaurants may have helped keep check size averages down.

In sum

The Asian market has undergone dynamic growth and is still expanding its appeal. The popularity of Asian restaurants should continue as they ride the wave of customer interest in ethnic cuisine.

—Sebastian O'Kelly



Location: South Burlington, VT
Association member: Don Weinreich
Operation: The Cork and Board
Profile: Casual, family dining
In business: 6 years
Seats: 42
Meals served: Breakfast, lunch, dinner

Adding a fullservice restaurant to his delicatessen has proved a good business move for **Don Weinreich,** owner of The Cork and Board. The restaurant is located in a shopping center in the center of town, which is part of the metropolis of Burlington on Lake Champlain. "Business has been excellent. We're doing 10 percent over last year," he says.

In addition to a variety of sandwiches, salads and soups offered all day long, The Cork and Board offers breakfast and dinner. "Nothing is from a can; everything—from the salad dressing to the soups—is homemade." says Weinreich.

The decor, bright and airy with lots of plants, flowers and paintings, has been planned to give a feeling of "Gemutlichkeit," which Weinreich says is loosely translated as a feeling of congeniality and relaxation.

Location: Glenn Mills, PA
Association members: Robert, David and Ciro Iannucci
Operation: Crier in the Country
Profile: Fullservice, fine dining
In business: 5 years
Seats: 128
Meals served: Dinner, seasonal lunches

Co-owner **Robert Iannucci** thinks business at his Crier in the Country restaurant could have been better last year. But he thinks his expansion will bring in a more casual crowd and a larger number of customers. "There are a lot of houses going up in the area," he says. And Iannucci is counting on attracting some of the new residents with his new cafe and cafe atrium, banquet room, outdoor patio and expanded walkways and gardens—all in keeping with the historic architecture of the main structure, which dates back to 1740.

Up until now, the Crier in the Country has been strictly a special occasion restaurant. Situated on eight acres of land near the Brandywine River Museum, the restaurant is 15 minutes from both Philadelphia and Wilmington, Delaware. Its proximity to Philadelphia and its markets enables the restaurant to offer the freshest seafood and vegetables. A salmon in parchment or cioppino served with homemade pasta are examples of daily specials.

Location: Towson, MD
Association members: Michael Pachino, Hershel Pachino
Operation: Hersh's Orchard Inn
Profile: Fine dining
In business: 9 years
Seats: 180
Meals served: Lunch, dinner

A good part of The Orchard Inn's customers are on an expense account, so manager and co-owner **Michael Pachino** blames the new tax laws for his business being a little off this year. "But it's still steady, and I think it will work its way out," he says.

Located in a suburb 10 miles outside of Baltimore, this restaurant's menu contains American and continental choices with specialties in beef and seafood. Its crabcakes were voted best in Baltimore by a local magazine's readers' poll, and a radio station cited it for "best businessman's lunch." Ten specials, which change every day, are offered at both lunch and dinner, "but if you don't see it on the menu, just ask, and we'll prepare it for you," Pachino says.

The Orchard attracts many celebrities and has a wall full of autographed photos to prove it. According to Pachino, "It's a place to be seen—it's active and busy at night—but it's also a family restaurant."

Location: Chicago, IL
Association members: June, Gerald, Jerry, Debbie, Cheryl Macey
Operation: Saloony's Sports Bar and Grill
Profile: Fullservice restaurant and bar
In business: 4 years
Seats: 125
Meals served: Lunch, dinner, carryout

"Business is fantastic," says owner **Gerald Macey,** who runs Saloony's with his wife June and children. "Every month since we've begun it has increased."

Catering to the workers of Chicago's South Side, this restaurant began as a bar but now offers homemade food. Pizza, including a double-decker "with everything" that weighs almost eight pounds, and hickory-smoked baby back ribs are the specialties.

Sports fans come to Saloony's to watch their favorite events on one of the five TVs in the bar. To further attract these fans, the Maceys have offered a "Sunday Brunch with the Bears" serving free subs and chicken wings, and a "Monday Night Football Special" with free hot dogs and chili.

Location: Portland, TN
Association members: John K. Jackson, Don Brooks
Operation: Red River Restaurant
Profile: Fullservice, family restaurant
In business: 5 years
Seats: 170
Meals served: Breakfast, lunch, dinner

When John K. Jackson bought his restaurant five years ago, it had been closed for bankruptcy, "but business has been steadily on the incline since day one," his manager **Don Brooks** says.

Located on an interstate, 30 miles north of Nashville and two miles south of the Kentucky border, Red River Restaurant draws diners from all the nearby towns. Customers like the restaurant's friendly, country-style atmosphere and the menu, which features such "down-home fixings" as Kentucky country ham, grits, buttermilk biscuits, homemade cornbread, real mashed potatoes and turnip greens.

The favorite choice at dinner is catfish, but guests can also order steaks, barbecue, fried chicken or frog legs. One dessert, either a cherry, apple or peach cobbler or banana pudding, is available each day. The county is dry, so no liquor is served.

[illegible]

Location: Cedar Falls, IA
Association member: Kenneth J. Stedman
Operation: The Other Place
Profile: Casual, fullservice restaurant
In business: 14 years
Seats: 75-100
Meals served: Lunch, dinner

The Other Place, located in northeastern Iowa near the University of Northern Iowa, has escaped the effects of Iowa's flagging economy. "It's tough to stay in business in Iowa, but with a university nearby we have a captive trade," says **Sue Stedman**, co-owner. In fact, the students were responsible for the restaurant name. When liquor-by-the-drink was first okayed in Iowa, it was big news on campus. "The restaurant next door was the first to get a liquor license, and when we were next, we became known as 'The Other Place,'" recalls Stedman. "The name stuck."

Liquor still plays a big part in the profit picture. A recent change in the liquor laws, which raised the drinking age from 18 to 21, has been responsible for some of the decline in bar business. Luckily, says Stedman, the restaurant attracts students with its food as much as with its drinks. Pizza and other Italian specialties, such as lasagne and spaghetti, are the main dishes served. The house special is a medium-crust pizza with everything on it, including an extra-big helping of cheese. "People are big cheese eaters here," Stedman says. "It's a result of being in the Midwest."

[illegible]

Location: Waxahachie, TX
Association member: Bob Rominger
Operation: 1879 Townhouse Restaurant
Profile: Fullservice, family restaurant
In business: 4 years
Seats: 160
Meals served: Breakfast, lunch, dinner

Texas has been in an economic slump, but **Bob Rominger**, owner of the 1879 Townhouse Restaurant, says it appears things are picking up. "March '88 was almost as good as our biggest month in '87, and March is not usually our biggest month. Last year we just held our own and even had to cut back our help," he says. The biggest season for the restaurant is summer when tourists visit the town from all over the world. Waxahachie, 30 miles south of Dallas, has been made famous as the setting for movies such as "Places in the Heart" and "Tender Mercies."

Rominger bought the Victorian building four years ago, after it had been restored as part of a downtown revival program. The downstairs is in the spirit of the turn of the century, with its blue-and-white checkered tablecloths and old-timey flea-market pictures. The upstairs is more modern, with booths and tables. From the restaurant windows, guests can look out at the picturesque old courthouse across the street.

The menu features chicken-fried steak (a favorite in that part of the country), pot roast, steak and some seafood. For dessert, there's homemade cherry or peach cobbler or ice cream made in an old-fashioned freezer. The cobbler is so popular that customers write in for the recipe.

[illegible]

Location: Albuquerque, NM
Association member: Bob Tero
Operation: Luby's Cafeteria
Profile: One of 109 units of chain in Southwest
In business: 3 years
Seats: 300
Meals served: Lunch, dinner

"We're doing real good," says associate manager **Jody Helton.** "New Mexico's economy is steady, much better than neighboring Texas," he adds. Located north of the downtown area, Luby's Cafeteria draws in workers and the retired. "They perceive us as a good value," Helton says. "We offer more variety than a normal restaurant, and at a good price."

Fourteen meats and 14 vegetables are offered every day. The fruit pies and nine types of bread are baked right there.

Helton describes the atmosphere as pleasant and modern, with pictures and baskets on the walls, carpeting on the floor and plants throughout.

[illegible]

Location: Sequim, WA
Association member: L.J. (Sonny) Ervin
Operation: Dungeness Inn Incorporated
Profile: Fullservice, on premises of golf club but open to public
In business: 6½ years
Seats: 140
Meals served: Breakfast, lunch, dinner

Located in northwestern Washington on the Olympic Peninsula, the Dungeness Inn is a ferry ride away from Victoria, Canada, and 1½ hours across the water from Seattle. Dungeness Inn caters to retirees who come to Sequim for its mild climate and infrequent rainfall. Because these retirees depend on the stock market for much of their income, business at the restaurant was down last year. "But it's coming back with a boom," says owner **L.J. (Sonny) Ervin,** thanks to a stronger economy and an increase in banquet business. Because the restaurant is situated on a golf course, with two more nearby, he expects an increase in the number of golf tournaments to boost business even more.

Diners at the Dungeness Inn can look out at the golf course or at distant mountains as they enjoy a lunch of homemade soup or chowder and sandwiches made from freshly baked bread, or a dinner of prime rib or fresh seafood.

—Julie Fintel

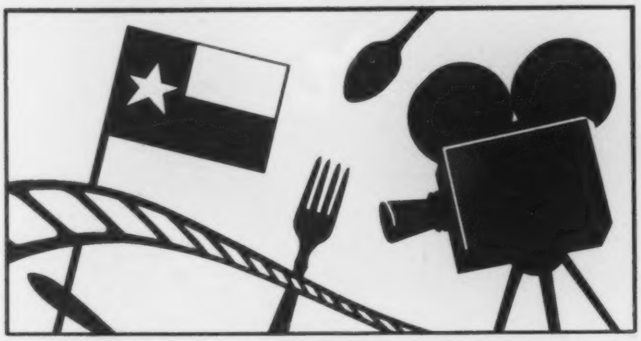
FOOD FOR THOUGHT

You oughta be in pictures

When writer/director Chris Columbus ("Gremlins," "Adventures in Babysitting," "Young Sherlock Holmes") was looking for the hotel in his new movie "Heartbreak Hotel," he didn't find it in Ohio, where the story takes place. He found it in Austin, Texas, and the hotel turned out to be a restaurant—Green Pastures 1888, Inc.

At first, the owners were leary about turning Heartbreak Films, Inc., an independent production company scheduled for distribution through Buena Vista Distributions, loose in their vintage establishment. But they had nothing to be afraid of, says Bob Buslett, a National Restaurant Association member. Even though the crew brought what looked like a whole city—15 trailers and dozens of people—and temporarily tore the place up for the 4-week shoot, they more than made up for it with free publicity in local newspaper ads and the facelift at the end—new landscaping and a new paint job and trim. "They made the restaurant look better than it was to start with," says Buslett. "They are masters of appearance. They did everything they said they would do." They even moved out during wedding engagements so the restaurant could honor its commitments. Now that's being considerate!

—*Green Pastures 1888, Inc.*



Hats off to Bagelbread

In the bread-loving town of Providence, Rhode Island, the baby on the block is Bagelbread, baked at the Alchemy Ovenworks Bakery and Bistro in the University Heights shopping center.

This braided loaf is made with the flour, sugar, yeast, salt and water used in bagels, and baked much the same way. But while Bagelbread has the chewy exterior of a bagel, it has the soft interior of fresh-baked bread.

Bagelbread happened by chance, says its creator, Marianne M. Farrell. Across the street from Alchemy Ovenworks is a home for the elderly. Its residents told Farrell that they loved her bakery's bagels but found them difficult to chew.

"We had some leftover bagel dough, so we tried to make something softer inside that they could eat," says Farrell.

Bagelbread was an instant success. The bakery now makes 300 24-ounce loaves a week. They are $2 each. —*New York Times*

Removing the junk from junk food

Lance, Inc. said it has taken junk out of its junk food.

The maker of peanut-butter-cracker sandwiches, potato chips and other snacks has greatly reduced the saturated fat and cholesterol content of most of its snack foods by substituting oils low in saturated fats, such as soybean, rapeseed and cottonseed oils for the animal, coconut and palm oils it had used. Lance hopes this will boost sales by appealing to customers who want healthier fare to munch on, which Lance estimates represents 2 percent to 25 percent of its business.

Although production costs have increased 58 percent, the company has no plans to increase prices. It hopes increased sales in vending machines and retail outlets will offset costs.

"This is the first company I've heard of that has reformulated its entire line—certainly the first bakery company," says Lynn Dornblaser, managing editor of the trade publication *Gorman's New Product News*.

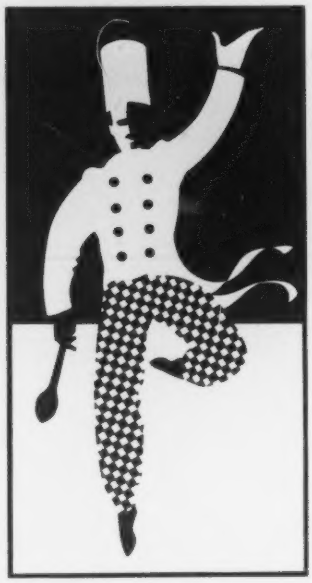
She predicts that other food companies will probably follow suit, responding to the same consumer concerns. "Cholesterol is going to be one of the big hot buttons this year," she says.

—*Wall Street Journal*

Updated tocques

Because he thought the traditional chef's uniform made him look frumpy, Timothy Nugent, a student at the New England Culinary Institute, decided to redesign the tradition-steeped garb.

His design calls for slightly baggy pants that taper at the ankle in a checked design made of 100 percent cotton, a tapered double-breasted jacket with padded shoulders with a "tail" to keep it from riding up when a chef bends over, and a tocque with a large hole at the top to encourage air circulation.



Other students like the prototype, but new designs seem to be slow in catching on. The chef's uniform has changed very little over the last century, except for individual departures by such chefs as Wolfgang Puck, who wears a baseball cap as kitchen headgear, and Barbara Tropp, who wears a kimonolike cotton top over cotton leotards.

—*New York Times*

A8200-1

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8/17	San Diego, CA	10/6	Portland, ME	11/30	Houston, TX
8/30	St. Louis, MO	10/12	Phoenix, AZ	12/6	Newark, NJ
9/7	Columbus, OH	10/13	Denver, CO	12/7	Philadelphia, PA
9/8	Detroit, MI	11/1	Madison, WI	12/12	Tampa, FL
9/20	Des Moines, IA	11/2	Minneapolis, MN	12/13	Miami, FL
9/21	Chicago/Downtown, IL	11/7	Nashville, TN		

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8/8	St. Louis, MO	9/28	Nassau/Suffolk, NY	11/16	Newark, NJ
8/9	Lincoln, NE	9/28	Anaheim, CA	12/5	Los Angeles, CA
8/29	Chicago, IL	10/3	Newport, RI	12/5	Dallas, TX
8/30	Cleveland, OH	10/12	Knoxville, TN	12/6	Riverside, CA
9/6	Baltimore, MD	10/17	Williamsburg, VA	12/6	Austin, TX

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8/3-4	Atlanta, GA	9/7-8	Raleigh, NC	11/29-30	Tampa/St. Petersburg, FL
8/9-10	Monterey, CA	9/28-29	Beverly Hills, CA		

PCS **Perfecting Your Culinary Skills** combines lecture with demonstration to instruct attendees in the fundamentals of cooking techniques that improve food quality while lowering costs. Recommended as an introduction for kitchen assistants, line cooks and chefs.

10/6	Columbia, SC	12/13	Madison, WI	12/15	Lansing, MI

PFT **Profitability** offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level. This course introduces a variety of practical and innovative operating systems, management techniques and cost control tips that can be immediately implemented in your restaurant.

9/11	Lincoln City, OR				
9/13	Seattle, WA	10/20	Milwaukee, WI	11/17	Dallas, TX
10/19	Dearborn, MI	11/16	Austin, TX	11/29	Charlotte, NC

SAS **Soups and Sauces** focuses on items that are inexpensive and easily prepared, yet are distinctive and profitable menu additions. Instruction provides the techniques and principles upon which all soups and sauces are based.

7/19	Seattle, WA	10/24	Tampa, FL	10/25	Orlando, FL

SST **Server Sales Training** is a low cost, effective way to teach proven sales techniques directly to the servers who will use them in your dining room. Two sessions each date, so both your lunch and dinner servers may attend.

7/26	Los Angeles, CA	9/21	Minneapolis, MN	10/13	San Diego, CA
8/24	Atlanta, GA	10/4	Seattle, WA	10/26	Detroit, MI

TFT **Tools for Training** will help you build a solid employee training program. The techniques presented in this seminar have been tested in the dynamics of the foodservice environment. The program focuses on the why's and how-to's of training.

8/31	Riverside, CA	9/15	Nassau/Suffolk, NY
9/13	Grand Rapids, MI	11/15	Kansas City, MO

WST **Wine Server Training** is a three-hour program that will equip servers with the essentials used to consciously and effectively sell wines to your guests. Attendees will learn about the components of wine, varietal differences, and techniques and opportunitites to increase wine sales. Two sessions each date, so both your lunch and dinner servers may attend.

7/26	Boston, MA	9/8	Los Angeles, CA	11/1	Newport, RI
8/23	Seattle, WA	10/21	Atlanta, GA	12/1	Detroit, MI
8/25	Portland, OR				

For information & registration, call:

1-800-424-5156

The Educational Foundation of the
National Restaurant Association

July-September 1988 • Seminar Schedule

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					COVERS SALES 1 JULY	COVERS SALES 2
COVERS SALES 3	COVERS SALES 4 Independence Day	COVERS SALES 5	COVERS SALES 6	COVERS SALES 7	COVERS SALES 8	COVERS SALES 9
COVERS SALES 10	COVERS SALES 11 KIM—Denver, CO	COVERS SALES 12	COVERS SALES 13 FCM—Newark, NJ	COVERS SALES 14 FCM—New York, NY	COVERS SALES 15	COVERS SALES 16
COVERS SALES 17	COVERS SALES 18 BUF—Knoxville, TN HIR—Eugene, OR	COVERS SALES 19 SAS—Seattle, WA	COVERS SALES 20 BAQ—Cleveland, OH	COVERS SALES 21 BAQ—Pittsburgh, PA	COVERS SALES 22	COVERS SALES 23
COVERS SALES 24	COVERS SALES 25 KIM—Minneapolis, MN	COVERS SALES 26 KIM—Madison, WI SST—Los Angeles, CA	COVERS SALES 27	COVERS SALES 28 WST—Boston, MA	COVERS SALES 29	COVERS SALES 30
COVERS SALES 31	COVERS SALES 1 AUGUST MOT—New Orleans, LA	COVERS SALES 2	COVERS SALES 3 OPC—Atlanta, GA	COVERS SALES 4 OPC—Atlanta, GA	COVERS SALES 5	COVERS SALES 6
COVERS SALES 7	COVERS SALES 8 BUF—Pittsburgh, PA KIM—St. Louis, MO	COVERS SALES 9 KIM—Lincoln, NE OPC—Monterey, CA	COVERS SALES 10 OPC—Monterey, CA DPR—Colorado Springs, CO	COVERS SALES 11 DPR—Arlington, TX	COVERS SALES 12	COVERS SALES 13
COVERS SALES 14	COVERS SALES 15 FCM—Detroit, MI	COVERS SALES 16 DRM—Oakland, CA FCM—Houston, TX	COVERS SALES 17 DRM—San Diego, CA	COVERS SALES 18	COVERS SALES 19	COVERS SALES 20
COVERS SALES 21	COVERS SALES 22 BUF—Lancaster, PA	COVERS SALES 23 DRS—Greenville, SC WST—Seattle, WA	COVERS SALES 24 HIR—Boston, MA SST—Atlanta, GA	COVERS SALES 25 HIR—Hartford, CT WST—Portland, OR	COVERS SALES 26	COVERS SALES 27
COVERS SALES 28	COVERS SALES 29 FAS—Denver, CO KIM—Chicago/, IL	COVERS SALES 30 DRM—St. Louis, MO KIM—Cleveland, OH	COVERS SALES 31 FAS—Philadelphia, PA TFT—Riverside, CA	COVERS SALES 1 SEPTEMBER	COVERS SALES 2	COVERS SALES 3
COVERS SALES 4	COVERS SALES 5 Labor Day	COVERS SALES 6 KIM—Baltimore, MD	COVERS SALES 7 DRM—Columbus, OH OPC—Raleigh, NC	COVERS SALES 8 DRM—Detroit, MI OPC—Raleigh, NC WST—Los Angeles, CA	COVERS SALES 9	COVERS SALES 10
COVERS SALES 11 PFT—Lincoln City, OR	COVERS SALES 12	COVERS SALES 13 COM—Boston, MA PFT—Seattle, WA TFT—Grand Rapids, MI	COVERS SALES 14 COM—Boston, MA FAS—Minneapolis, MN HIR—Baltimore, MD	COVERS SALES 15 HIR—Washington, DC TFT—Nassau/Suffolk, NY	COVERS SALES 16	COVERS SALES 17
COVERS SALES 18	COVERS SALES 19 BUF—Atlantic City, NJ HIR—Newark, NJ KIM—Atlantic City, NJ MRT—Atlantic City, NJ	COVERS SALES 20 BAQ—Atlantic City, NJ DRM—Des Moines, IA HIR—Atlantic City, NJ DRS—St. Louis, MO MRT—Atlantic City, NJ	COVERS SALES 21 DRM—Chicago/n, IL MEN—Indianapolis, IN SST—Minneapolis, MN	COVERS SALES 22 BAQ—Hartford, CT HIR—Worcester, MA OPA—Norfolk, VA	COVERS SALES 23 OPA—Norfolk, VA	COVERS SALES 24 National Conference Wine Workshop 9/24-30 Napa Valley, CA
COVERS SALES 25	COVERS SALES 26 BUF—Toronto, Ontario, CAN	COVERS SALES 27 KIM—New York, NY KIM—San Francisco, CA	COVERS SALES 28 BUF—Halifax, N.S., CAN KIM—Anaheim, CA KIM—Nassau/Suffolk, NY OPC—Beverly Hills, CA	COVERS SALES 29 DES—New Orleans, LA OPC—Beverly Hills, CA	COVERS SALES 30 DES—New Orleans, LA	

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Date and location ____________________
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Basic Foodservice Courses (no discount applies)

	Member	Non-member
Dining Room Management • Increasing Sales *Kitchen Management • Tools for Training*	$125	$155

All Other One and Two-Day Programs

	Member	Non-member
One-day seminars		
One person	$155	$195
Two or more	$140 each	$180 each
Two-day seminars		
One person	$325	$395
Two or more	$285 each	$355 each

Tax deductible – Your attendance fee and related travel expenses are tax deductible under IRC 162. The deductibility of meals associated with attending this seminar is limited to 80%.

Guarantee – If you are not satisfied that the knowledge gained at the seminar is useful and will help you do a better job, we will give you a full refund of your seminar fee. If you should feel the need to request such a refund, please write within 10 days of your course attendance to Larry Fidel, Educational Foundation of the National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC 20036-3097.

July – December 1988 Seminar Schedule

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9/20 Des Moines, IA
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10/4 Baltimore, MD
10/6 Portland, ME
10/12 Phoenix, AZ
10/13 Denver, CO
11/1 Madison, WI
11/2 Minneapolis, MN
11/7 Nashville, TN
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9/20 Atlantic City, NJ
9/22 Worcester, MA

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9/27 New York, NY
9/27 San Francisco, CA
9/28 Nassau/Suffolk, NY
9/28 Anaheim, CA
10/3 Newport, RI
10/12 Knoxville, TN
10/17 Williamsburg, VA
11/9 Orlando, FL
11/10 Miami, FL
11/15 Philadelphia, PA
11/16 Newark, NJ
12/5 Los Angeles, CA
12/5 Dallas, TX
12/6 Riverside, CA
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8/9-10 Monterey, CA
9/7-8 Raleigh, NC
9/28-29 Beverly Hills, CA
11/29-30 Tampa, FL

PCS **Perfecting Your Culinary Skills** combines lecture with demonstration to instruct attendees in the fundamentals of cooking techniques that improve food quality while lowering costs. Recommended as an introduction for kitchen assistants, line cooks and chefs.

10/6 Columbia, SC
12/13 Madison, WI
12/15 Lansing, MI

PFT **Profitability** offers all restaurant personnel with cost center accountability a blueprint for improving profits at the unit level. This course introduces a variety of practical and innovative operating systems, management techniques and cost control tips that can be immediately implemented in your restaurant.

9/11 Lincoln City, OR
9/13 Seattle, WA
10/19 Dearborn, MI
10/20 Milwaukee, WI
11/16 Austin, TX
11/17 Dallas, TX
11/29 Charlotte, NC

SAS **Soups and Sauces** focuses on items that are inexpensive and easily prepared, yet are distinctive and profitable menu additions. Instruction provides the techniques and principles upon which all soups and sauces are based.

7/19 Seattle, WA
10/24 Tampa, FL
10/25 Orlando, FL

SST **Server Sales Training** is a low cost, effective way to teach proven sales techniques directly to the servers who will use them in your dining room. Two sessions each date, so both your lunch and dinner servers may attend.

7/26 Los Angeles, CA
8/24 Atlanta, GA
9/21 Minneapolis, MN
10/4 Seattle, WA
10/13 San Diego, CA
10/26 Detroit, MI

TFT **Tools for Training** will help you build a solid employee training program. The techniques presented in this seminar have been tested in the dynamics of the foodservice environment. The program focuses on the why's and how-to's of training.

8/31 Riverside, CA
9/13 Grand Rapids, MI
9/15 Nassau/Suffolk, NY
11/15 Kansas City, MO

WST **Wine Server Training** is a three-hour program that will equip servers with the essentials used to consciously and effectively sell wines to your guests. Attendees will learn about the components of wine, varietal differences, and techniques and opportunitites to increase wine sales. Two sessions each date, so both your lunch and dinner servers may attend.

7/26 Boston, MA
8/23 Seattle, WA
8/25 Portland, OR
9/8 Los Angeles, CA
10/21 Atlanta, GA
11/1 Newport, RI
12/1 Detroit, MI

For information & registration, call:

1-800-424-5156

The Educational Foundation of the National Restaurant Association

October-December 1988 • Seminar Schedule

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						COVERS SALES 1 OCTOBER
COVERS SALES 2	COVERS SALES 3 BUF—Cleveland, OH DPR—Milwaukee, WI FAS—Washington, DC KIM—Newport, RI	COVERS SALES 4 DRM—Baltimore, MD DPR—Minneapolis, MN MRT—Fort Worth, TX SST—Seattle, WA	COVERS SALES 5 FAS—Cincinnati, OH MRT—Fort Worth, TX	COVERS SALES 6 DRM—Portland, ME PCS—Columbia, SC	COVERS SALES 7	COVERS SALES 8
COVERS SALES 9	COVERS SALES 10 Columbus Day	COVERS SALES 11	COVERS SALES 12 DRM—Phoenix, AZ COM—Chicago, IL KIM—Knoxville, TN OPA—Columbus, OH	COVERS SALES 13 COM—Chicago, IL DRM—Denver, CO OPA—Columbus, OH SST—San Diego, CA	COVERS SALES 14	COVERS SALES 15
COVERS SALES 16	COVERS SALES 17 FCM—Burlingame, CA KIM—Williamsburg, VA	COVERS SALES 18 BAQ—Louisville, KY FAS—Atlanta, GA FCM—Anaheim, CA	COVERS SALES 19 PFT—Dearborn, MI	COVERS SALES 20 BAQ—Portland, OR PFT—Milwaukee, WI	COVERS SALES 21 WST—Atlanta, GA	COVERS SALES 22
COVERS SALES 23	COVERS SALES 24 SAS—Tampa, FL	COVERS SALES 25 DRS—Chicago, IL SAS—Orlando, FL	COVERS SALES 26 SST—Detroit, MI	COVERS SALES 27 OPA—Minneapolisl, MN	COVERS SALES 28 OPA—Minneapolis, MN	COVERS SALES 29
COVERS SALES 30	COVERS SALES 31 Halloween	COVERS SALES 1 NOVEMBER DRM—Madison, WI COM—San Francisco, CA WST—Newport, RI	COVERS SALES 2 COM—San Francisco, CA DRM—Minneapolis, MN DPR—Philadelphia, PA MRT—Jacksonville, FL	COVERS SALES 3 DPR—Cincinnati, OH MRT—Jacksonville, FL	COVERS SALES 4	COVERS SALES 5
COVERS SALES 6	COVERS SALES 7 BUF—Indianapolis, IN DRM—Nashville, TN	COVERS SALES 8 Election Day	COVERS SALES 9 BAQ—Washington, DC KIM—Orlando, FL OPA—Riverside, CA	COVERS SALES 10 BAQ—Boston, MA FAS—Chicago, IL DRS—Seattle, WA KIM—Miami, FL OPA—Riverside, CA	COVERS SALES 11 Veteran's Day	COVERS SALES 12
COVERS SALES 13	COVERS SALES 14 MEN—Portland, OR	COVERS SALES 15 KIM—Philadelphia, PA MEN—Seattle, WA TFT—Kansas City, MO	COVERS SALES 16 KIM—Newark, NJ PFT—Austin, TX	COVERS SALES 17 PFT—Dallas, TX	COVERS SALES 18	COVERS SALES 19
COVERS SALES 20	COVERS SALES 21	COVERS SALES 22	COVERS SALES 23	COVERS SALES 24 Thanksgiving Day	COVERS SALES 25	COVERS SALES 26
COVERS SALES 27	COVERS SALES 28	COVERS SALES 29 DRM—Austin, TX OPC—Tampa, FL PFT—Charlotte, NC	COVERS SALES 30 DRM—Houston, TX OPC—Tampa, FL	COVERS SALES 1 DECEMBER WST—Detroit, MI	COVERS SALES 2	COVERS SALES 3
COVERS SALES 4 Hanukkah	COVERS SALES 5 KIM—Dallas, TX KIM—Los Angeles, CA DES—Seattle, WA	COVERS SALES 6 DES—Seattle, WA DRM—Newark, NJ KIM—Austin, TX KIM—Riverside, CA	COVERS SALES 7 DRM—Philadelphia, PA FCM—Minneapolis, MN	COVERS SALES 8 FAS—Orlando, FL FCM—Chicago, IL	COVERS SALES 9	COVERS SALES 10
COVERS SALES 11	COVERS SALES 12 BUF—Charlotte, NC DRM—Tampa, FL	COVERS SALES 13 DRM—Miami, FL PCS—Madison, WI	COVERS SALES 14	COVERS SALES 15 PCS—Lansing, MI	COVERS SALES 16	COVERS SALES 17
COVERS SALES 18	COVERS SALES 19	COVERS SALES 20	COVERS SALES 21	COVERS SALES 22	COVERS SALES 23	COVERS SALES 24
COVERS SALES 25 Christmas Day	COVERS SALES 26	COVERS SALES 27	COVERS SALES 28	COVERS SALES 29	COVERS SALES 30	COVERS SALES 31

Seminar Registration

Fill out and mail or call 800/424-5156 or 202/331-5900

Member number required for member rate

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Date and location ______________________
Name ______________________
Title ______________________
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☐ National Restaurant Association Member Member Number ____________
☐ Cosponsoring state association member ☐ Check enclosed

Make checks payable to: **Educational Foundation of the National Restaurant Association**
1200 Seventeenth Street, N.W., Washington, DC 20036-3097

Registration Fees

	Member	Non-member
Basic Foodservice Courses (no discount applies)		
Dining Room Management • Increasing Sales *Kitchen Management • Tools for Training*	$125	$155
All Other One and Two-Day Programs		
One-day seminars		
One person	$155	$195
Two or more	$140 each	$180 each
Two-day seminars		
One person	$325	$395
Two or more	$285 each	$355 each

Tax deductible – Your attendance fee and related travel expenses are tax deductible under IRC 162. The deductibility of meals associated with attending this seminar is limited to 80%.

Guarantee – If you are not satisfied that the knowledge gained at the seminar is useful and will help you do a better job, we will give you a full refund of your seminar fee. If you should feel the need to request such a refund, please write within 10 days of your course attendance to Larry Fidel, Educational Foundation of the National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC 20036-3097.

July – December 1988 Seminar Schedule

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THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION VOL. 8 □ NO. 6 □ JUNE/JULY 1988

RESTAURANTSUSA

1988 SHOW
"TELLS THE TIMES"
12
1
2
3
4
5
6
7
8
9
10
11

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

8/16	Oakland, CA
8/17	San Diego, CA
8/30	St. Louis, MO
9/7	Columbus, OH
9/8	Detroit, MI
9/20	Des Moines, IA
9/21	Chicago, IL

Increasing Sales: Effective Front-of-the-House Management

8/23	Greenville, SC
9/20	St. Louis, MO

Kitchen Management

7/11	Denver, CO
7/25	Minneapolis/St. Paul, MN
7/26	Madison, WI
8/8	St. Louis, MO
8/9	Lincoln, NE
8/29	Chicago, IL
8/30	Cleveland, OH
9/6	Baltimore, MD
9/19	Atlantic City, NJ
9/27	New York, NY
9/27	San Francisco, CA
9/28	Nassau/Suffolk, NY
9/28	Anaheim, CA

Employee Motivation

8/1	New Orleans, LA

Tools for Training

8/31	Riverside, CA
9/13	Grand Rapids, MI
9/15	Nassau/Suffolk, NY

Food Production Courses

Fish and Seafood

8/29	Denver, CO
8/31	Philadelphia, PA
9/14	Minneapolis, MN

Soups and Sauces

7/19	Seattle, WA

Foodservice Management Courses

Banquet Management

7/20	Cleveland, OH
7/21	Pittsburgh, PA
9/20	Atlantic City, NJ
9/22	Hartford, CT

Do-It-Yourself Public Relations

8/10	Denver CO
8/11	Arlington, TX

Food Cost Management

7/13	Newark, NJ
7/14	New York, NY
8/15	Detroit, MI
8/16	Houston, TX

Hiring in a Tight Labor Market

7/18	Eugene, OR
8/24	Boston, MA
8/25	Hartford, CT
9/14	Baltimore, MD
9/15	Washington, DC
9/19	Newark, NJ
9/20	Atlantic City, NJ
9/22	Worcester, MA

Menus that Sell!

9/21	Indianapolis, IN

Off-Premises Catering

8/3–4	Atlanta, GA
8/9–10	Monterey, CA
9/7–8	Raleigh, NC
9/28–29	Beverly Hills, CA

Operational Analysis

9/22–23	Norfolk, VA

Planning and Implementing a Restaurant Marketing Strategy

9/19–20	Atlantic City, NJ

Planning Successful Buffets

7/18	Knoxville, TN
8/8	Pittsburgh, PA
8/22	Lancaster, PA
9/19	Atlantic City, NJ
9/26	Toronto, Ontario
9/28	Halifax, Nova Scotia

Practical Foodservice Spreadsheets

9/13–14	Boston, MA

Profitability

9/11	Lincoln City, OR
9/13	Seattle, WA

Restaurant Design

9/29–30	New Orleans, LA

Server Sales Training

7/26	Los Angeles, CA
8/24	Atlanta, GA
9/21	Minneapolis, MN

Wine Server Training

7/28	Boston, MA
8/23	Seattle, WA
8/25	Portland, OR
9/8	Los Angeles, CA

1988 California Wine Workshop

9/24–30	Napa Valley, CA

For information, contact:
Educational Foundation of the National Restaurant Association,
1200 Seventeenth St., N.W.
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If your company is interested in our In-house programs, call or write to the attention of Frank Doyle at the above address.

EXECUTIVE STUDY GROUP SERIES

Financial Officers

10/5–7	Monterey, CA

Foodservice Purchasing Managers

October	Boston, MA

Internal Audit

9/13–16	Monterey, CA

Labor Relations

9/15–16	Columbus, OH

Large Independent Operators

9/14–16	Frankenmuth, MI

Management Information Systems

10/11–14	Hilton Head, SC

Marketing Executives

10/16–19	New Orleans, LA

Quality Assurance

10/12–14	Orlando, FL

Safety Officers

7/20–22	Vail, CO

Tax Executives

10/5–7	Monterey, CA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

Published by the National Restaurant Association

RESTAURANTS USA

VOL. 8 NO. 6 JUNE/JULY 1988

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PRESIDENT'S REPORT

Jim L. Peterson, President and Chief Operating Officer
Whataburger, Inc., Corpus Christi, TX

It is with great pride that I put my pen to paper for the first time as your president. I believe the National Restaurant Association to be among the strongest and most influential trade organizations in America today, and I'm looking forward to my involvement in the coming year.

A great Show!

There is no greater demonstration of the strength of our association than the 69th National Restaurant Association Show, which drew a record 103,000 visitors to see 1,900 exhibits and to participate in educational programs and special events. This year's Show was made even more spectacular with a record 25 percent increase in the number of attendees from foreign countries—a clear indication that our Show has become an international industry forum. The international presence affected all aspects of the Show—from 15 foreign exhibitors displaying their goods and services on the floor to international teams participating in the Ice Carving Classic. This issue of ***Restaurants USA*** tells the Show story.

Minimum-wage bill—a top priority

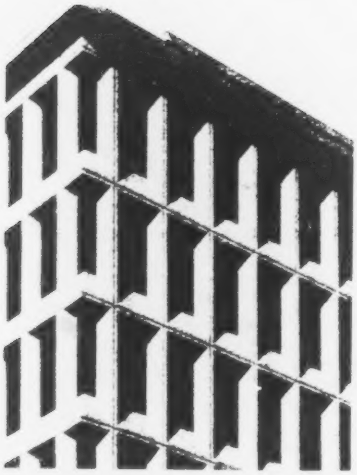
Now that we've all returned from Chicago to our businesses, it's time to turn our focus to an issue that is a priority for any employer who offers jobs to entry-level workers—namely, the minimum-wage bill now before Congress.

Since this bill was first put forth a year ago, the National Restaurant Association has been in the forefront in the industry's opposition to such a measure. An increase in the minimum wage, we have argued, would hurt employer and employee alike. (1) It would force business owners to reduce employee hours. (2) It would cause the elimination of certain positions. (3) It would greatly limit the opportunities available for young people looking to enter the workforce for the first time through foodservice.

Our arguments have been heard. The fact that a floor vote on the minimum-wage bill has been delayed four times in the House of Representatives indicates that the proponents of the bill do not yet have sufficient votes to pass the bill and that concessions will have to be made.

I believe that grassroots lobbying on the part of our membership is greatly responsible for the consistent delay in passage of the minimum-wage bill. You have written your representatives. You have made telephone calls and sent mailgrams to Capitol Hill. In some instances, you have even travelled to Washington to meet personally with your Senators and congressional representatives.

But the fight is not over. We expect action on the bill in both the House and Senate—some are saying before the Democratic National Convention late this month. We must act now. I urge you to contact your Senators and Congressmen. If you've already made contact, go back and call, write or even visit them again. This is our last chance to be heard. It's our last chance to preserve the jobs and advancement opportunities that exist for entry-level workers in the foodservice industry.



AIDS videotapes available

The association's set of videotapes on AIDS is now available. The two tapes, sold in one packet, were produced to help educate foodservice employees about AIDS, to reassure them that the foodservice workplace is safe and to inform them how to protect themselves against the disease in their personal lives.

The first of the two tapes, entitled "The AIDS Issue," is addressed to foodservice managers and instructs them how to educate employees and how to manage situations that can arise if uninformed patrons learn that an employee has AIDS. The second tape, entitled "AIDS—What You Need to Know," is addressed to employees and explains how AIDS is contracted, emphasizing that it is not a foodborne disease and that it is not passed through casual contact. The set of tapes costs $29.95 and is available through the association's publications department at (800) 424-5156.

Current Issues Report: Tipping vs. service charge

The association's research department has published its latest in the series of *Current Issues Reports*, this one dealing with the topic of tips vs. service charges. The report looks at operator and consumer viewpoints on the subject and should prove to be useful to those of you contemplating this issue. Look in your mailbox for the report; it was sent to the association's key members last month. Additional copies are available for sale at $3 for members and $5 for nonmembers.

Please complete hourly wage survey

Also in the mail to key members is a questionnaire regarding wages for hourly employees. Please complete the questionnaire at your earliest convenience; the results will be compiled and published in an hourly wage report this fall.

New monthly consumer survey

Finally, the association has joined forces with the Gallup Organization to launch the "Foodservice Market Measure," a monthly survey report that will track consumer behavior and attitudes at foodservice outlets. The "Market Measure" will be published monthly in ***Restaurants USA.*** In addition to information on the number and demographic characteristics of adults who purchase meals for on-premises and off-premises consumption, the report will be supplemented with quarterly consumer surveys on timely topics, such as smoking vs. non-smoking sections, tipping vs. service charges and nutrition concerns.

Look for the first installment of the "Market Measure" in the September issue of ***Restaurants USA.*** The first quarterly consumer report, which will focus on consumer preferences and choices with regard to self-serve salad and food bars, will be published next month.

During May, 149 foodservice operators and suppliers joined the National Restaurant Association. Welcome. Your membership will strengthen your business and the association's efforts to represent the industry.

Sincerely,

Jim L Peterson

Jim L. Peterson
President & Chairman of the Board

RESTAURANTS USA

COVER STORY: 1988 SHOW TELLS THE TIMES

9 The annual National Restaurant Association Restaurant/Hotel-Motel Show is the most accurate timekeeper of what's happening in the industry.

10 No-Shows: Never Again, Please
Operators are angry that customers who don't honor their reservations cut into their profits, but dealing with no-shows is a complicated—and sensitive—issue. A panel of four industry leaders from the Show offers its suggestions for dealing with the no-shows problem. Also includes highlights of other educational sessions at the Show.

14 Carving Your Niche in Ice
Carvers geared in waterproof suits wielded chainsaws and raced against the clock to perfect their masterpieces during the Ice Carving Classic. The Classic made ice-carving fans of many. Although the art has been around for some time, it has new uses in today's competitive marketing environment.

18 Food from the Nile
Madame Jehan Sadat's theater presentation at the Show was the inspiration for this article describing the delicious, traditional foods from the beautiful—and mysterious—land of Egypt.

24 Couscous
Couscous—the traditional North African grain—is an inspiration to U.S. chefs, who are experimenting with this versatile product in creatively delicious ways. Includes recipes.

26 Culinary Arts Salon—Two Sessions of Show and Tell
The Culinary Arts Salon at the Show was expanded to two sessions for the first time this year—doubling the pleasure for attendees. Some of the winners in the event describe the exhausting preparation that goes into competing in a culinary competition. Don't miss the sidebar—it's a timetable that could help you plan for next year's competition.

20 Imports—As Important As Ever
To import or not to import . . . for some chefs there is no question. Quality and authenticity are two of the reasons that many chefs insist on using only imported ingredients. This article explores why some chefs are so particular. Includes a sidebar on chefs who only "buy American," and a report on the international exhibitors at the Show.

28 Learning from the Masters
Demonstrations from talented—and entertaining—chefs drew Show attendees to the popular Chefs Stage sessions. Attendees learned tips and techniques, some of which are shared here.

30 Dessert Trays—Serving Up Sweet Profits
Who can resist a beautifully displayed trayful of mouth-watering desserts brought right to the table? Not many, claim restaurateurs who find dessert trays a successful marketing tool. If you were to create a dessert tray on this year's Show floor, a sidebar tells what you might add.

32 Show Floor—What's Hot and What's Not
The products and services that appear on the Show floor let operators know "what's hot and what's not." This year's Show floor was no exception.

DEPARTMENTS

6 Short Orders
- ☐ Association releases AIDS video education program
- ☐ Association survey on advertising now available
- ☐ Kacoo Olinde wins Pacesetter Award
- ☐ Winners of the Eighth Annual Main Course

7 Washington Report
- ☐ DC Roundup
- ☐ Peterson pledges association opposition to health benefits bill
- ☐ The child care challenge

32 Boardroom
- ☐ Hats off to students
- ☐ Peterson names new committee chairmen
- ☐ Association membership elects new officers, directors

36 Foodservice Trends
- ☐ Cafeterias: Poised for growth
- ☐ CREST report, winter quarter 1988
- ☐ Senior patrons: a profile
- ☐ The foodservice industry 1986: A brief review

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought
- ☐ A microwave for popcorn
- ☐ Breakfast at Ed's
- ☐ Ethnic dinner kits
- ☐ Hot peppers for Shingles
- ☐ Too much location
- ☐ No-salt cajun

Cover photograph by Gary Landsman; clock by Show exhibitor, Whistling Oyster, North Hollywood, California.

SHORTORDERS

Association releases AIDS video education program

During the association Show in Chicago, National Restaurant Association President Jim L. Peterson announced the release of two videotapes dealing with issues surrounding the AIDS epidemic.

"It is part of our responsibility to help educate our 8 million employees about this terrible disease, to reassure them that the foodservice workplace is safe in regard to AIDS and to advise them on how to protect themselves against this illness in their personal lives," Peterson said.

The two videotapes will be sold to members in a single packet. The first tape, entitled " The AIDS Issue," is addressed to management and describes the law and court decisions relating to the employment of persons with AIDS. It then advises operators how to educate employees about the disease. Last, it describes how to prepare for and how to manage the confusion that might arise if uninformed patrons learn of an employee who has the disease.

The second tape, entitled "AIDS—What You Need to Know," is addressed to employees. Drawing on expert medical opinion, it explains how AIDS is contracted. It then explains that it is not a foodborne disease, nor is it passed through casual contact. Therefore it is not contracted in the foodservice workplace.

The two videotapes complement the brochure, "Basic Facts About AIDS for Foodservice Employees," which is already available through the association's publication department. The packet of videotapes is being sold to members for $29.95 plus 10 percent for shipping and handling.

Kacoo Olinde wins Pacesetter Award

Kacoo Olinde, co-owner and operator of six Ralph and Kacoo's Seafood Restaurants located throughout Louisiana and Texas, received this year's Pacesetter Award from the Roundtable for Women with four other award winners: Marion Illitch, Secretary/Treasurer, Little Caesar Enterprises; Beverly M. Lowe, Director of Food Services, Hampton City Schools; Virginia Mayer, President, Sun West Services and Violet G. Stancik, Vice President of Contract Sales, ALCO Foodservice Company. The ceremony was held in conjunction with the National Restaurant Association Show.

Kacoo Olinde, left, congratulated by Ella Brennan for receiving Pacesetter Award

Mark Plaatjes of Waukegan, Illinois, won the Eighth Annual Main Course Race with a time of 30.19 minutes. Among female participants, Grace Wilson of Atlanta came in first with a time of 36.12. She finished 51st overall.

Association survey on advertising now available

The National Restaurant Association has just published *Restaurant Usage of Advertising 1987* (catalog number CS650). This 43-page study, based upon a survey conducted for the association by the Gallup Organization, presents an in-depth look at the types of advertising used by restaurants as well as the usage frequency of various advertising methods by specific types of restaurants. In addition, the publication focuses on changes expected in advertising budgets and on the use of such direct mail marketing techniques as newsletters, handouts and mini-menus.

Restaurant respondents are grouped according to characteristics such as restaurant type, average meal cost, daily customer counts and menu type. Advertising mediums covered include newspapers, magazines, handouts, sponsorships, direct mail, radio, billboards, restaurant guides and television. Detailed data tables are included.

For a copy of the study, send a check or money order to the National Restaurant Association, 1200 Seventeenth Street, N.W., Washington, DC 20036. The price is $15 for members and $30 for nonmembers. When ordering, please be sure to include payment plus a 10 percent shipping and handling fee and any applicable tax. Washington, DC, residents must add a 6 percent sales tax. Illinois residents must add 7 percent, and Chicago, residents must add an additional 1 percent, making their total tax 8 percent. You may charge orders by including charge card type (VISA, Diner's, etc.), name on card, card number, expiration date and signature. Call the National Restaurant Association at 1-800-424-5156 (toll-free) or (202) 331-5900 for charge card orders. *No purchase orders.*

WASHINGTON REPORT

Peterson pledges association opposition to health benefits bill

At a press conference held during the National Restaurant Association convention, newly elected association President Jim L. Peterson released survey results that show the passage of the Minimum Health Benefits Act would wipe out tens of thousands of small restaurants employing hundreds of thousands of Americans.

Peterson reported that the survey, conducted for the association by the Westat research firm, shows clearly that sales volume is the determining factor when foodservice companies decide whether to offer health coverage to employees. For instance, among companies with annual sales under $500,000, 27 percent offer health coverage to both hourly and salaried employees.

In contrast, 72 percent of foodservice companies with sales between $1 million and $5 million offer such coverage. The figure rises to 90 percent among companies with sales of $10 million and up.

"It is clear that foodservice companies with smaller sales volume simply can't afford to offer health coverage. The cost would cut too deeply into their gross sales," Peterson told reporters assembled in Chicago's McCormick Place. According to the 1982 census, 82 percent of eating place firms had a sales volume of less than $500,000.

The Minimum Health Benefits for All Workers Act (S. 1265 and H.R. 2508) would require all employers to provide comprehensive health benefits to all employees who work 17½ hours per week, after a waiting period of only 30 days.

In addition, employers would be required to pay at least 80 percent of the premium for most workers and 100 percent for employees earning less than $4.19 per hour.

"The kind of health coverage mandated by the bill would be inappropriate to most foodservice compa-

Nineteen members of Congress came to Chicago for a two-day tour of the Show. Here, from left, association director Bernard Schreiner (Schreiner's Restaurant, Inc., Fond du Lac, WI) winds up his tour with Reps. Steve Gunderson (R-WI) and Thomas Petri (R-WI) in the Culinary Arts Salon.

DC ROUNDUP

☐ **Minimum wage fight picks up speed.** Thousands of foodservice operators have joined in the campaign to defeat a minimum wage increase, sending more than 50,000 mailgrams, letters and cards to Congress and scheduling hundreds of district and Washington visits with their representatives.

Citing uncertain vote counts in the U.S. House of Representatives and their wish to have the Senate take some action on the issue, Democratic House leaders postponed a scheduled June 22 floor vote on H.R. 1834, the bill to raise the minimum wage to $5.05 by 1992, until mid-July. In the Senate, pressure is on to move companion legislation.

☐ **President's veto sends plant closings issue back to square one but it quickly resurfaces.** Following President Reagan's May veto of the trade bill, pro-labor forces in the House and Senate moved quickly to gather support for new plant closings legislation. As this *Restaurants USA* went to press, both the House and Senate were poised to vote on newly introduced bills that would require businesses with more than 100 workers to give 60 days' advance notice of company closings or mass layoffs. (These same provisions were included in the trade bill.)

Given the president's unwavering opposition to the advance notice requirements, a presidential veto is likely. Senate Democrats predict they can muster enough votes this time to override the veto, even though they were unable to do so with the trade bill. The National Restaurant Association and other business groups continue to lobby against these burdensome requirements.

☐ **Limited polygraph ban likely to become law.** President Reagan's desk is the next and final stop for H.R. 1212, a bill to ban all pre-employment and random lie detector use. The president is expected to sign off on this compromise measure, which allows employers to use the tests only to investigate specific incidents of workplace crime.

☐ **"No dice," employers say to parental leave "compromise."** The numbers have changed, but the problems remain the same in watered-down parental leave legislation recently introduced by Sen. Christopher Dodd (D-CT), the original sponsor of the "Parental and Medical Leave Act."

Dodd's new bill, S. 2488, requires employers of 20 or more to provide workers with 10 weeks of unpaid parental leave every two years and 13 weeks of unpaid medical leave yearly. (Dodd's original proposal applied to employers of 15 or more and mandated 18 weeks of parental leave and 26 weeks of medical leave.) Eligible employees must have worked for at least a year and for at least 900 hours during the previous 12 months. The employer must continue to provide health benefits during the worker's absence.

Senate Labor & Human Resources Committee chairman Ted Kennedy (D-MA) promises June or July committee action on the new version, which is cosponsored by 21 senators.

☐ **Chances look good for a one-year extension of TJTC.** Taking that important first step, the House Ways & Means Committee acted June 21 to extend the Targeted Jobs Tax Credit for one more year. The tax credit, used widely by foodservice operators who hire economically disadvantaged workers, is currently set to expire at the end of 1988. Ways & Means members approved the extension as part of the 1988 tax "technical corrections" bill, which still has to be approved by the full House and Senate.

☐ **Employers liable for first-time immigration violations.** With the new phase of the immigration law that began June 1, Immigration & Naturalization Service (INS) officials are no longer required to warn employers before issuing fines for illegal hiring or improper paperwork. INS inspectors—expected to number 1,850 by the end of the year, up from the current 700—will concentrate half their enforcement efforts on targeted industries, including restaurants and hotels.

—Denise Roach

nies where turnover is very high, and it would be prohibitively expensive for most firms," Peterson said. "The estimated cost of the proposed legislation would average $18,500 per year for firms with sales under $500,000.

The Senate Labor and Human Resources Committee has approved the health benefits bill for consideration by the full Senate. To date, the House has held hearings on the bill, but it has not yet marked up its version.

"You can be certain that the National Restaurant Association will fight this legislation with all its resources," Peterson said. "Our legislators have to understand that putting companies out of business is no way to benefit employees."

The child care challenge

Since the 100th Congress convened last year, more than 100 bills have been introduced to increase the availability of child care, make it more affordable or improve its quality.

Increasing numbers of mothers in the workforce, the political pressure and power of "baby boom" parents and worker shortages are forcing Americans to think about ways to broaden child-care options. Congress is being forced to respond.

"Our workplaces have been slow in adapting to the new makeup of the American workforce," says Rep. Nancy Johnson (R-CT), who has introduced day care legislation in the House of Representatives. "Barely 5 percent of America's employers help their workers pay for child care. It is clear we've got to encourage more employers to follow their lead."

Child care assistance pays off for employers in areas other than recruitment and retention. Sixty-five percent of companies surveyed by the Department of Health and Human Services in 1981 said child care benefits reduced turnover. Fifty-three percent said absenteeism dropped. Fully ninety percent found that the benefit improved morale.

Federal programs to help defray child care costs include certain tax deductions and depreciation allowances for businesses that provide on-site care. More employers are also beginning to offer workers "Dependent Care Assistance Programs," an employee benefit in which workers direct up to $5,000 a year in pre-tax income to a special account used to pay child care expenses.

Even with these programs, problems remain: child care remains expensive, high-quality care is often difficult to find and employer-supported care is relatively rare.

Congressional bills

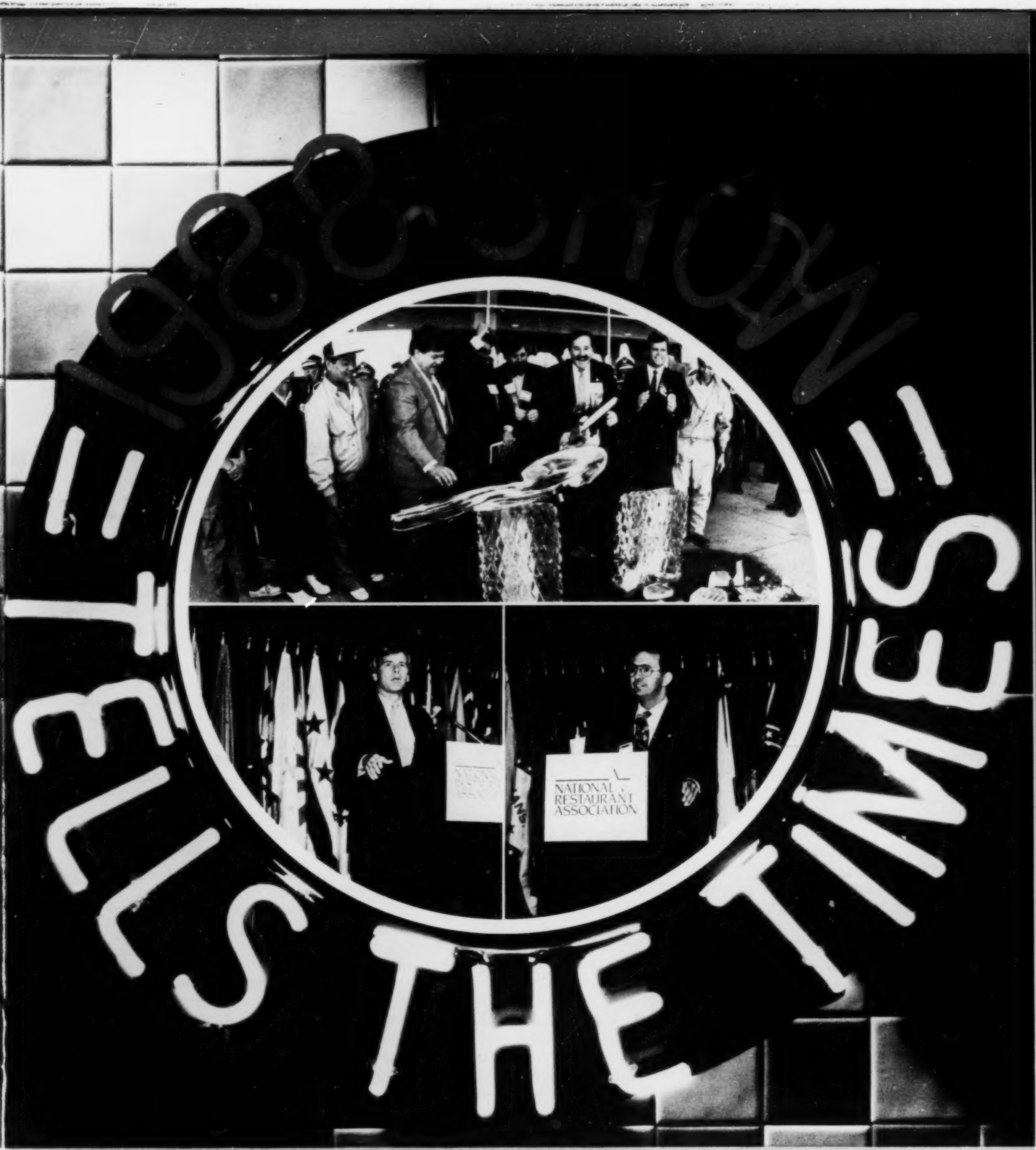
At center stage in Congress are comprehensive Democrat and Republican schemes that attack the child care problem in very different ways. Democrat Sen. Christopher Dodd (CT) and Rep. Dale Kildee (MI), have introduced a $2.5 billion plan backed by dozens of labor and child advocacy groups. This "Act for Better Child Care Services" uses most of its federal funds to decrease child care expenses for low-income Americans. The act would create first-ever federal standards for licensed day care operations.

The GOP alternative, proposed by Sen. Hatch and Rep. Johnson, is a more local and community-oriented measure with a first-year price tag of $375 million. States would receive $250 million in block grants to dole out at their discretion—by giving to communities, to nonprofit groups, to groups of small businesses, etc. Remaining dollars would fund liability insurance pools to provide insurance to day care operators and a revolving loan fund so at-home caregivers could bring homes into accordance with state licensing standards.

The Hatch/Johnson legislation also makes tax changes to encourage businesses to provide day care benefits for employees. The measure allows businesses a 25 percent write-off for the cost of constructing on-site day care facilities and requires businesses offering cafeteria benefit plans to include child care benefits as an option. The legislation would also set up a national awards program to honor businesses whose work policies are helpful to parents.

Among the myriad other proposals is one incentive program aimed directly at small businesses. Legislation introduced by Rep. Lynn Martin (R-IL) would offer tax credits and federal grants to small businesses that group together to provide child care for employees. These "consortium" arrangements are increasingly popular, especially in malls and office complexes. ❑

The annual National Restaurant Association Restaurant/Hotel-Motel Show is the most accurate timekeeper of what's happening in the industry. New ideas, new products and new techniques all find their way to the Show, and each year operators decide which to pay attention to. Some ideas start out small and within a year or two explode into major trends, such as frozen yogurt, the cruvinet or bottled water. Others pass away—remember the robot sushi maker or the elongated egg? But whether they find a trend or a novelty, restaurateurs can pick and choose, and adapt what they see to fit their operation—just the way ***Restaurants USA*** *does with its Show coverage. This year, instead of keeping the feature stories separate from the Show Report,* ***Restaurants USA*** *combined the two. After all, the Show tells the times for* ***Restaurants USA,*** *too.*



Armed with a chainsaw, John Metz chairman of the Convention Committee, cuts this year's icy ribbon. The unorthodox approach was an appropriate opening for this year's Show, which brought ice carving to the attention of Show attendees in the sportslike atmosphere of the Ice Carving Classic.

Tom Brokaw's keynote address at the Opening Day ceremonies focused on the importance of participating in the political process—especially during an election year. "Every four years you have a chance to shape your destiny, so make certain that your voice is heard," he said.

Outgoing President Michael Grisanti urged restaurateurs to tell legislators their views on crucial poiltical issues. Grisanti emphasized the importance of grassroots political activity throughout his tenure as president.

NO-SHOWS

NEVER AGAIN, PLEASE

All operators want to take advantage of those times when they can have a full house. It's a nightmare when they know they can fill the house but have empty tables waiting because people have not honored their reservations. "When we make a reservation, we have a contract. Unfortunately, it seems to be a one-way contract," said Paul Lazar, owner of the Wharf Tavern in Warren, Rhode Island, and moderator of the no-shows panel at the Show. "We need a way to get that idea across to our customers. How do we do that?" Lazar asked and turned to the three panelists for ideas. Here is what they had to say on the subject.

Leslee Reis, Cafe Provencale, Evanston, Illinois: We have 23 tables, 80 seats. We are 11 years old and have always been a reservation restaurant. We book 100 percent of our tables, and I never overbook. The average check is about $55 to $60 per person, not including tax and tip.

Very soon after we opened, I noticed that people didn't seem to think making a reservation obligated them to anything more than what they wanted to do when it was time for them to leave their house. And we, of course, have planned staff in the kitchen and in the dining room to attend to them. It bothered me because I'm someone who always keeps my word.

So I started a list on our computer. We have an IBM-compatible system with modems that operate in our three restaurants and in an office outside of the restaurants that connects all three. When we first got the computer about six years ago, we started keeping a list at Cafe Provencale of people who did not show up and did not have the courtesy to call. We alphabetize that list, and we mark the day of the week and the size of the party so we have a chance to track the times that we are most vulnerable to no-shows. If someone does not show twice, then his or her name is capitalized, and it goes to the top of the list. After two years, we purge the names if they haven't repeated their no-show behavior.

Our no-shows list is about four pages long, and there are about 300 names on it. We keep it in a clear binder by the reservation book. It is used by the two people who are the primary takers of reservations—the office manager in the day and the maitre d' in the evening. No one else is allowed to take a reservation. They must put the party on hold.

Both people are fairly familiar with the list. If customers call after one no-show they get a gentle reminder that they did not keep their reservations, and we explain that in order for us to stay open to serve them, we need to know if they're not going to come. It's not a vindictive kind of thing. I think part of our job is to educate our clientele that we are running a business, even though going to dinner for them is their recreation. The public just doesn't think of it in the same way that we do.

More important, about five years ago, we began a policy of reconfirming on Fridays and Saturdays and on other nights when we are full or close to full. But the system really took off two years ago when we added mandatory cancellation at 2:00 p.m. if they didn't reconfirm.

On weekdays we take the responsibility of reconfirming—unless it is an out-of-town or a hotel party. Any reservation from out of town or a hotel must be reconfirmed by 2:00 p.m.—whether it's a party of two or a party of 12—or we automatically cancel.

Although the onus of reconfirming the reservation is on our customers, we have a person whose entire job is to make callbacks. So at the most 20 percent of the reconfirmations are made by our guests and 80 percent are made by us.

Each time we call and no one answers, we put a little slash mark next to the name, so if the customer comes to the door on Saturday night and says, "What do you mean you gave my table away? No one told me," I will say, "I'm very sorry that we had a misunderstanding. I am secure in the fact that someone did tell you and that only three people take

BARRY WINE
LESLEE REIS
PIERO SELVAGGIO
NATIONAL RESTAURANT ASSOCIATION

Operators are angry that no-shows are hurting their businesses. Each of these four industry leaders offered suggestions for handling the no-show problem.

reservations in the restaurant, the owner, the office manager and the maitre d'."

And, moreover, we never erase our reservation information. If we rebook a table, we have a space for tables that are rebooked. So I can say, "In fact, I took your reservation two weeks ago, and I see a notation in my handwriting that you agreed to call back. We tried calling you six times today." Because our system is so comprehensive, I don't feel a bit guilty about refilling a table that has not been reconfirmed.

Over the past four years, these two techniques have cut down our no-shows by 80 percent during prime time. That has saved us $112,000.

Barry Wine, The Quilted Giraffe, New York, New York: I have a small restaurant in New York City that until we moved nine months ago had only 17 tables and no bar. We now have 27 tables and seat 85 people. And we have a bar. The average ticket in our restaurant is $115 per person before taxes and a service charge.

Reservations and the worry about no-shows have always been a very big concern to us because of the size of the ticket. We were lucky enough to operate at what we call full capacity: There is always a demand for a table, and we book 100 percent of our space. We don't hold back any tables.

Although we don't expect anyone to have to wait for a table, we have brought our no-show percentage down to just about zero. But we do it at a significant cost—by hiring people to answer the telephone.

Starting at 10:00 a.m., my wife answers the telephone until 2:00 p.m. A full-time person comes in at 2:00 p.m. and answers the telephone all afternoon. No one else can take a reservation—not even I. My wife and the other staff person who takes reservations are at the door in the evening so nobody ever walks in and says, "Well, I talked to somebody else and they said we could have a table." I think it's probably a good idea for the person answering the phone to have some involvement at the front door.

There's a significant labor cost and telephone cost in running this system. We reconfirm all of our tables. We ask customers to call us by 4:00 p.m.; but starting at 2:00 p.m., and earlier if it's a party bigger than four, we call our reservations even if it's a toll call to Chicago or Los Angeles to make sure they are coming.

The real lesson that we've learned is that not just anyone can take a reservation. You can't just say, "Oh, hello, you want a table for four on Saturday at 8 o'clock? What's the name?" You have to teach the person who's answering the phone how to take the reservation, and it probably has to be a very high-paid person. We've learned over a period of time that if somebody calls and says, "Do you have cherries jubilee for dessert?" or "Can I have a prime rib or steak au poivre?" that person probably doesn't want to come to our restaurant. And my wife or the maitre'd who answers the phone is going to carry on a dialogue to make sure that they know where they're going.

We're very careful if we take reservations from concierges. By and large, we don't want the concierge to do that. Our experience has told us that the concierge has a list of restaurants to call during the afternoon and say, "Please confirm Mr. Smith's reservation for 8 o'clock tonight." We're much more likely to call the hotel, find out if Mr. Smith is in fact at the hotel, and aggressively make sure that Mr. Smith is coming to dinner.

The same thing is essentially true of taking reservations from a secretary. If it's clear to us from the kinds of questions being asked that the person doesn't really know the restaurant, we would not take a reservation from a secretary for a party of eight, for example. And we would insist on talking to the boss to try to establish the one-to-one relationship so the person making the reservation feels an obligation to come to the restaurant.

It's a lot of time spent, and it's a lot of highly paid people spending that time, but it has reduced our no-shows to almost nothing.

Credit card guarantee update

There are people in the industry who are working with American Express to see if we can come up with a contract similar to the one that people sign with hotels: You give your American Express number so that you have a room set aside for you even if your plane is two hours late or you get lost on the highway. That is a guarantee, and it is a valid charge.

Gordon Sinclair, from Gordon Restaurant in Chicago, has been pursuing this with American Express. He is asking for a $15 per person charge to guarantee a table for five people or more unless the reservation is cancelled 24 hours in advance.

So if you honor American Express, and guarantees are something that you are interested in doing, speak to your local representatives about it. There is strength in numbers.

—Leslee Reis

Piero Selvaggio, Valentino, Santa Monica, California: Sixteen years ago, with a lot of enthusiasm and no money, I opened a little restaurant—Valentino—in Santa Monica, California. It grew and eventually became a serious restaurant that accommodates 130 people. Many years after, out of a personal desire to prove myself and to do something else, I opened a second, 80-seat restaurant, based on appetizers only—Primi in West Los Angeles.

The two restaurants are popular. They are part of a group of restaurants that people put on their dining map when they come to Los Angeles.

I take reservations in both restaurants, and sometimes I wonder why. The first question I ask my manager at Primi when I call him from Valentino at 10:00 p.m. on Saturday night is not, "How many dinners did you do tonight?" but, "How many people didn't show?" I am angry. I'll give you an example to show you what the frustration is like.

A lady calls me from New Jersey. She wants a wedding rehearsal dinner for her son who lives in California. She checks me out, so to speak, for a party of about 32 people. I spend a good hour on the phone explaining all of the things we do, all of the things we can do. After an hour, I get the impression that she's quite pleased with my restaurant as a potential site for the dinner. Ten phone calls later, after we have discussed flowers, linen and so forth, we get to the day before the date set for the party. I call the New Jersey number, but don't get an answer. I call the son, who seems surprised to hear from me. "We are getting married," he confirms, "but we're having the party at this other restaurant tomorrow." I feel cheated and shocked.

We have tried to guarantee reservations with credit cards, but I've been refused the charges I have presented because the customer always says, "I wasn't there. This is not my signature. Why should I be penalized?" We have a so-called blacklist, but I don't think it's going to take us very far because there are too many people that still need to be educated.

Paul Lazar, Wharf Tavern, Warren, Rhode Island: Let me tell you a little bit about the restaurant that I have. It's called the Wharf Tavern. It's in Rhode Island. It's on the waterfront. It's somewhat more casual than the three restaurants you've heard about. We have about 300 seats, including the function rooms. We have two floors. We're very seasonal. It's much busier from May until September; in fact, our season really starts next week. We just built an outside deck to accommodate another 150 people, and we have boats and yachts pull up next to the restaurant. We're very much a destination restaurant; we're close to two major metropolitan areas, but we're in a tiny little town of 16,000. The restaurant is a converted oyster house that has been a restaurant for 34 years, and so it's been well established.

We do take reservations, and we have certain periods of time, certainly in the summer, when we would prefer to be 100 percent reservations; however, it's difficult for us to do

The audience laughs along with Herb True at his Show seminar. Edutrainer True explains that Quantum Management is a transformation of a hodgepodge of 20th Century fads and behavior theories to a 21st century manager who sees and sells a vision while managing for perpetuity.

Fresh-bake concepts have staying power

Is the demand for on-premises fresh baked goods a passing fad? Not according to Andrew Thorburn, president and CEO of Restaurant Management Inc. As the national licensor for Treats, an on-premises bakery concept, Thorburn speculates that the demand for freshly-baked delights is here to stay. "The public is looking for more affordable self-indulgent treats like food and flowers as the prices for Broadway shows and other luxury items skyrocket," he told an audience at the Show. Appearing on a panel of on-premises bakery owners Thorburn pointed to his own six-year-old concept. Started by two women in Toronto who sold hand-dipped chocolates and oversized muffins, Treats now operates 101 outlets in Canada and 19 in the United States. Muffins account for 50 percent of company sales. "With 50 to 60 muffin variations, we sell a product people can eat every day," Thorburn said.

"I think part of our job is to educate our clientele that we are running a business, even though for them going to dinner is their recreation. The public just doesn't think of it in the same way that we do."

that. People tend to pull up in a boat and say, "Geez, you got room for six?"

I agree that whoever answers the phone is a very, very important factor in the reservations picture. One of the problems we find is that everyone wants a waterfront table. We have a policy that we will not promise a waterfront table, and it's written on the top page of the reservation book so my people know exactly how to say it. "We will do the very best we can, but we cannot promise you a waterfront table." And we still get people who say, "She absolutely told me I will have a waterfront table, I've got guests in here from Europe, and I just gotta show them the water." ❑

Robert Christie Mill, University of Denver, uses magic and his Scottish wit to present his session on management strategies. Author of an upcoming book on organizational climate, Mill contends there are four management strategies that, when applied at the right time, will solve all the problems a manager can have with employees.

He added that his two-tiered franchising system, which allows franchises to participate in area revenue-sharing, is unusual in the United States.

Jeffrey Newman, vice president of franchise operations for Vie de France Restaurant Corp., gave an example of how a bakery concept can grow into a full-service restaurant chain. Begun in 1972 by a group of frustrated French-bread aficionados, the company added restaurants six years later primarily to provide examples of how to use its baked items. Newman describes Vie de France as three corporations in one: bakeries, cafeterias and full service restaurants. Currently running 58 restaurants, the company plans to have 200 in operation within the next three years.

When asked about their keys to success, panel members unequivocally responded, "fresh, quality products." But they disagreed on the benefits of single-item marketing. "Simplicity attracts. A limited menu is easier to control," insisted Gayle Powell. Powell, founder of Ms. Powell's, Inc., began selling her home-baked cinnamon rolls at the Idaho state fair. She now operates 50 cinnamon-roll bakeshops in 20 states that sell cinnamon rolls exclusively. But Andrew Thorburn maintained menu variety is a necessity to expand appeal. Traffic patterns in speciality bake shops tend to be strongest in the morning, slow at lunch and moderate during the late afternoon hours. When luncheon items are added, noontime traffic is "reasonably good," says Thorburn.

"History has shown that no one stays with just one product. My feeling is that survival will require product proliferation," said Ken Hill, president of 220-unit T.J. Cinnamons of Kansas City, Missouri. Newman, whose restaurants experience heavy lunch traffic, says although his downtown locations are destination units, most office workers will not walk more than two blocks for lunch. "Believe it or not," he exlaimed, "we have four stores in a six-block radius in downtown Washington, DC." ❑

Basic supervision

Managing is a skill that can be learned, but as with any skill, you have to practice it to gain effectiveness, said Jack Miller in his seminar at the Chicago Show. According to Miller, an effective manager does the following:

☐ *Expects only the best and gives the best.* Gives people a chance to succeed or fail.

☐ *Establishes management ethics in dealings with people.* Is honest and fair and does not make promises that can't be kept. "Don't try to be popular; try to do what is right," Miller said.

☐ *Challenges subordinates* to grow and improve themselves.

☐ *Possesses technical skills,* such as the ability to train and motivate employees and to solve problems.

☐ *Has a distinctive management style* that employees can recognize and count on.

☐ *Strives for maturity and sensitivity in dealing with others* by keeping his or her temper under control and not panicking.

In sum

A manager must do more than read a book about management, said Miller. He or she must take theories and convert them into practical application, taking into account all the different factors, such as the working environment and human psychology. "The bottom line is getting your people to willingly do the things you want them to do," he said.

CARVING YOUR NICHE IN ICE

by Paul Moomaw

Show attendees who witnessed the National Restaurant Association Ice Carving Classic were enthralled by the making of the crystal sculptures. This was no tame display, but an action-packed sporting event with chainsaws buzzing, ice chips flying and carvers working against the clock.

The Mexican team used its five 400-pound blocks of ice to create a multi-block display that looked like a work from a Mayan temple. "We wanted to bring some of Mexico with us," said team captain Michel Ange, a chef from Acapulco.

Paul Moomaw is a communications specialist at the National Restaurant Association.

With a steady hand, the chef cuts through two feet of ice with a chainsaw. Amidst a snowy spray, a winged eagle emerges, and the 400-pound block of ice turns into a work of art that will melt but will not be soon forgotten. This is ice carving, a resurrected art form that has new uses as a marketing tool at a time when operators are looking for ways to stand out from their competitors.

Because all ice carvings are unique works, they offer restaurant and hotel operators a chance to create a distinctive buffet table, catering display or party centerpiece. And the sculptures that one designs with a chainsaw can be as ambitious or as understated as the occasion demands. Most ice carvers are chefs, many of whom learned the skill in a culinary school. Almost anyone can attain some degree of proficiency at ice carving, either by trial and error or by attending a school that teaches ice carving, such as the Ice Sculpture School of Chicago. You don't have to be a carver yourself to take advantage of ice carving, although you will miss out on some fun if you don't carve.

Ice carving is back

Ice carving was probably brought to the United States by Scandinavians and has been used in cold-weather spots like St. Paul, Minnesota, for generations as outdoor decoration for winter carnivals. A big change in the world of ice carving occurred with the advent of electric refrigeration. With refrigeration, carvings could be made ahead of time and kept frozen until time for display. When hotel dining was at its finest in the United States, some 30 or 40 years ago, a stunning ice carving was considered necessary as the focal point of the buffet table at any party or banquet. Hotels and restaurants prided themselves on having a chef who was a master carver.

But ice carving was a laborious process until the chainsaw became accepted as a carving tool. The chainsaw is quick and efficient, and it makes smooth cutting of long stretches of ice easy. Advanced carvers now use the chainsaw during most of their carving time, even for detail work. "The chainsaw is fast," says ice carver Jim Nadeau, "but it's also clean. When you're making a straight line with manual tools, 10 inches is forever. With a chainsaw, I can make 3½-minute swans, 4½-minute eagles and 25-minute grand pianos with the top up."

Most people are surprised to learn that the chainsaw is the instrument of choice for most ice carvers. It seems a brutal, noisy tool to use in creating works that are so beautiful and sometimes delicate. But the widespread use of the chainsaw has made carving easier and faster. Professionals even use the chainsaw for minute details such as ruffling the feathers on a swan or carving an eye on the face of a peacock. In spite of the loud noise, these delicate birds don't seem to mind having chainsaw blades working on their wings.

How to make a sculpure

To begin you need ice. And that's not as simple as it sounds. Jim Nadeau has been carving for 13 years and is president of Nadeau's Ice Sculptures in LaGrange, Illinois. He says that the quality of commercial ice available around the country varies a great deal, and ice houses seem to be closing down by the dozens. "Chicago has good ice," says Nadeau, "and Detroit has good ice. But ice varies in quality from city to city. The problem is air; air gets in and turns the ice white." Needless to say, ice carvers are always looking for the clearest ice available, to give their sculptures a crystalline effect.

The second thing you need is an idea. Swans, fish and birds are frequently carved, but you are limited only by your imagination. Seasonal carvings, such as snowmen, jack-o'-lanterns and wild turkeys can give a holiday touch to an event. Because ice sculptures are often used to showcase food, many food-related themes are appropriate: an ice punch bowl, with or without flowers frozen into the ice, a wedding cake or even a sturdy wine rack which can hold bottles of champagne.

Because no one will see you during the carving phase, all forms of cheating are permitted and encouraged.

The U.S. Plymouth team is ready to begin the team freestyle competition, and judge Dean Jaramillo explains the rules.

Each team has one ton of ice and three hours to work. The first step is to lay out a paper template of what they will carve.

Out comes the chainsaw, and the carver follows the paper template as he sculpts the ice.

The chainsaw is quick and efficient, and it makes smooth cutting of long stretches of ice easy.

Team captain Mark Daukas adds texture to a sculpted horse with a handsaw, one of the many other tools of the trade.

Experienced carvers can, of course, sculpt their pieces freehand, but others prefer to work from a paper sketch. A paper template of exact size can be drawn and adhered to a block of ice to serve as an outline for the initial stages of carving. Some carvers sketch their templates on graph paper to be sure that the template's proportions are correct.

The carver begins by chainsawing around the template outline, as ice spray shoots from the blade of the chainsaw in all directions. This step eliminates unworkable ice, which drops to the floor in chunks.

Additional sculpting is then done with either chisels or the chainsaw, depending on the carver's preference. At first, the carver merely defines the outline of the subject to be carved, saving the delicate textural additions until last. Unless you are carving in a freezer or in cold weather, the sculpture is melting as it is carved. Temperature affects the carving strategy a great deal, as the sculptor must exaggerate certain features to ensure that the detail won't have melted by the time the piece is shown.

U.S. team triumphs in Ice Carving Classic

The United States team of master ice carvers representing Plymouth, Michigan, was named Grand Champion in the National Restaurant Association Ice Carving Classic, produced in cooperation with the National Ice Carving Association.

Six three-man teams competed in the first-ever Ice Carving Classic, including teams from Singapore, Mexico and two teams each from the United States and Canada. "The Ice Carving Classic showcased tremendous talent and turned a lot of bystanders into ice carving fans," said John Metz, 1988 National Restaurant Association Convention Chairman. "The competition built to a fever pitch during the final two days, with chainsaws whirring and flashbulbs flashing."

All the classic's events were timed, adding a competitive edge. The U.S. Plymouth team took this competitive spirit to heart, treating the four days of carving as a sports event. Each day the Plymouth team girded themselves for carving in matching jumpsuits, baseball batting gloves, kneepads and weightlifting belts. They even stretched their muscles while waiting for the word "go" at the beginning of their competitions.

The approaches of the different teams were a study in contrast. The team of carvers from Singapore carved in a traditional style, using manual chisels for most of their work, opting for the chainsaw only for major breakdowns of ice. Meanwhile, the U.S. Plymouth team was an assembly line of chainsaws, breaking down their 400-pound blocks of ice into smaller chunks that were formed together in the final minutes of each round to create multi-block displays. For these carvers, ice sculpting became as much a science as an art. The U.S. team's efforts climaxed in the team freestyle competition, where they turned their ton of ice into a work they called "Olympus," which featured both a unicorn and a winged horse. At the same time, Mexico's Michel Ange was calmly walking around his team's sculpture-in-progress, occasionally talking to onlookers about its status, then returning for some chainsaw refinement.

The teams from Singapore and Mexico both used the team freestyle event as a chance to show some national pride. The Mexican team used its five 400-pound blocks of ice to create a multi-block display that looked like a work from a Mayan temple. "We wanted to bring some of Mexico with us," said team captain Ange, a chef from Acapulco. The team from Singapore carved a sculpture symbolizing international unity that featured Singapore's national symbol, the merlion, flanked by two American eagles with wings spread.

The Singapore team was named first runner-up overall, and the U.S. team from Nordic Hills was named second runner-up. In the individual freestyle event, each competitor had two hours and a 400-pound block of ice with which to create a carving. Johnny Woo of the Canada/Canmore team was named champion in the individual freestyle competition. Clemente Arellano of Mexico was first runner-up, and Mark Daukas of the U.S. Plymouth team was second runner-up.

As in less ephemeral art forms, carvers add finishing touches and detail.

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3:1:2
The clock ticks away, as the team works to complete the multi-block display.

Ice Carving Classic
The judges gather around the completed sculpture

"Olympus," which features a unicorn and a winged horse.

ATIONAL
ESTAUR
SSO
The champion U.S. Plymouth team is joyously triumphant.

The cost of carving

Despite its creative possibilities, ice carving can be an expensive activity if you obtain all the recommended materials. Boots with steel toes are necessary to protect the feet from falling chunks of ice and to prevent slipping on the wet surface that usually surrounds a work in progress. Gloves of some kind should be worn as well—whether rubber gloves, which are favored for their waterproof qualities, or baseball batting gloves chosen for their flexibility. A waterproof apron keeps ice chips from drenching the carver's clothing, and goggles protect the eyes. Because of the popularity of the chainsaw in ice carving, a pair of earmuffs is a good investment to protect against ear fatigue induced by hours of chainsaw use in a confined area.

And then there is the chainsaw itself. Ice carvers don't use just any chainsaw that a lumberjack hands them. Carvers prefer special saws that have five or six times the revolutions per minute of the standard variety. The extra RPMs make for smoother cutting. Many prefer the Japanese Makita brand, which is no longer available in the United States.

To make delicate finishing touches and to add texture, a number of manual finishing tools are usually used. Most carvers have several chisels, wood-carving tools, an ice shaver and a hand pruning saw as part of their carving apparatus. Although these tools may seem simple, they can be expensive, easily running into the $100 range. Increasingly popular is the electric drill, which is used to make holes and add texture. Not to be forgotten among the list of crucial tools is the traditional set of large ice tongs, which all carvers use to move large chunks of ice around in the workspace.

Another consideration when getting involved in ice carving is liability in case of an accident at the place of display. Ice carvings are heavy, and they are often placed on tables or pedestals from where they could fall. Ice carvings also melt, of course, so there is the possibility of people slipping in puddles of melted ice. Carver Jim Nadeau was glad his company carried liability insurance when a leaking tray ruined a large oak conference table at the site of a display.

Transportation of sculptures is another matter to consider if the sculptures are to be carved somewhere other than the place of display. Sculptures to be transported must be left fairly thick by the carver in order to withstand the stress of travel. They must be securely fastened for travel, and refrigerated trucks make a long haul possible.

All these variables add up to a lot of time and money spent on ice sculpture. If it sounds like too much hassle, but you still want to cash in on the marketing advantages of ice carving, consider hiring a freelance carver to add to your operation's display presentation or catering package. Hotel chefs are the most likely to be ice carvers, but some independent carvers are now doing the job full time. Although these people may charge several hundred dollars for a large carving, you can pass along the cost to customers, who are getting a customized display for their event.

Taking your sculptures to market

Jim Nadeau is one of the few Americans who can claim ice carving as his sole profession. As president of Nadeau's Ice Sculptures, Nadeau supervises a staff of carvers who provide sculptures to hotels, wedding parties and other customers year-round.

But hotels aren't Nadeau's only customers. Ice carving has made its way into television commercials, onto magazine covers and into art museum openings.

Nadeau believes that for a banquet or catering operation, ice sculpture is a great way to set your company apart from others. He suggests that if you are having trouble selling customers on the idea of an ice sculpture, don't charge for it separately. Simply include it in the price of your standard catering package. Once customers have enjoyed a catered function with an ice carving, they will return to you for another custom-catered event. ❑

A new boost for the ephemeral art

Ice carving has gotten a recent boost, thanks to the formation of the National Ice Carving Association (NICA). This organization was formed to promote the art of ice sculpture through education, competition and standardized judging and exhibitions. In focusing on competition, NICA is broadening the ice carving audience by treating it as a sport as well as an art. "Ice carving is attractive to sports enthusiasts," says Chuck Wagner, executive director of NICA and president of Wagner Ice Services in Willowbrook, Illinois. "It combines a physically demanding event with art—much like figure skating," he says. "The key," adds Wagner, "is to get the kids interested who are coming out of culinary schools."

NATIONAL
RESTAUR
ASSOCI

An international political activist, Jehan Sadat worked closely with her husband Egyptian President Anwar Sadat in his quest for peace, and she has continued that quest since his death. She has been active in the women's movement both in her own country and throughout the world, and she is responsible for the Egyptian civil rights law, which brought greater liberties to Egyptian women. She is a teacher and scholar of Arabic literature and has campaigned intensively for eradication of world illiteracy. Sadat was a Show-stopper in Chicago. Her favorite American foods are stuffed turkey, pumpkin pie and sweet-potato casserole with marshmallow topping.

When Jehan Sadat was 16 years old and newly married, she and her husband Anwar had little money and were unsure of their future. Feeling downhearted, they took a walk one night through the town of Roda where they were living. Outside a cafe they encountered a gypsy fortune-teller, and Jehan thought it would cheer her husband up if she were to have her fortune read. When the gypsy told her she would one day be First Lady of Egypt, they both laughed; but throughout her life, Madame Sadat remembered that prophecy and came to consider it her duty to help people through her position.

Madame Sadat is lecturing throughout the United States to raise money to build a library in honor of her late husband, Anwar Sadat, the president of Egypt at the time he was assassinated in 1981. When Sadat made a special presentation at the National Restaurant Association Show, her reputation as "First Lady of the World" for her work to promote world peace and the rights of women had preceded her, and she was greeted with enthusiastic applause as she approached the dais. In her speech, she described her efforts to increase understanding between the people of her country and the rest of the world. Not surprisingly, Sadat talked about peace and the obstacles that stand in its way. "I am indeed happy to be with you today and to be able to address you on a subject that is close to my heart—my late husband's peace mission, and my own belief in peace," she said.

Sadat went on to describe the character of her husband and that of the Egyptian people, which led him to take up the peace mission that eventually cost him his life. "I am doing this to let our friends know about our country and traditions so they will understand us more, will know how we think," Sadat explained. She talked about Sadat's faith in God, his country and the basic goodness of people, which expressed itself in his doctrine of dignity and equality. As Sadat told her rapt audience, this belief is very much in keeping with the national character of the Egyptian people: "For thousands of years the people to which I belong have lived frugally and peacefully in the Nile Valley," Sadat said. "We never lost sight of the human dimension in ourselves, our enemies and the people of the world . . . this Egyptian preparedness may explain the miracle of our survival through the ages."

Egyptian food reflects the country's ability to embrace many diverse peoples—the Bedouins, the Greeks, the Romans, the Turks, the Arabs and the Europeans. It is rich in vegetables, legumes, spices and the ubiquitous pistachio, which finds its way into savory and sweet dishes.

In fact, an American restaurateur could offer an entire meal of Egyptian dishes, from the opaque green soup *melokhia* to a pistachio rice-flour pudding.

Appetizers—a meal in themselves

One of the great treats of eating Middle Eastern style is the *mazzah*, literally a tableful of many dishes of food. Usually served as a first course, it can also be a meal in itself, including such well-known vegetarian dishes as *baba-ghannuj*, a smoke-flavored eggplant dip; *hummus*, a dip made from mashed, cooked chickpeas flavored with lemon juice, garlic and *tahini*, a sesame seed paste; *wera einab* or stuffed grape leaves; *tabbulah*, a salad made from cracked wheat, parsley and mint; and pita bread, the flat unleavened bread whose "pockets" have made it a household word in the United States. Nuts, fried cheese, olives, roasted chickpeas, eggplant stuffed with a sour milk cheese, or a plate of slices of onion and tomato garnished with chopped parsley or mint could also be included, as could one or more distinctly Egyptian dish.

Melokhia, ta'amia and *ful medames* "are three dishes that are to Egypt what pizza is to Italy," says Charlie Sahadi, who serves many Egyptian customers at his import company on Brooklyn's Atlantic Avenue in New York.

Melokhia is a thick green soup that harkens back to the pharaohs. (Ancient tablets show early Egyptians preparing this dish.) Made from the leaves of a green, jutelike plant, its flavor resembles spinach, which is, in fact, a satisfactory substitute for the melokhia leaves.

Ta'amia, or *falafel*, as it is called in the rest of the Arab world, is a vegetable burger made of dried white broad beans, strongly spiced and deep fried, and usually served with tahini or sesame paste. As croquettes, ta'amia can be tasty appetizers, but when ta'amia is stuffed into pita bread with salad ingredients, it makes a refreshing summer sandwich.

Ful medames, the favorite breakfast food of most Egyptians, is a dish consisting of dried brown beans, soaked overnight, cooked for a long time and eaten with olive oil, fresh parsley and lemon. It

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Julie Fintel is a contributor to ***Restaurants USA.***

FOOD FROM THE NILE

by Julie Fintel

can be transformed into a salad by adding tomatoes.

Although fruits and vegetables are key players in the Egyptian diet, meats have their place. Lamb is the main meat of the Middle East. Islam prohibits the eating of pork, and there is not enough pastureland to raise much cattle. A favorite way of cooking the lamb is on skewers, as kebabs.

Pigeon—a favorite

Fowl comes next. Egyptians are fond of chicken, and stuffed wild duck when available, but the most commonly eaten bird is pigeon—not the city-park type but a domesticated variety. In fact, there are Egyptian restaurants that serve nothing but pigeon. Egyptians like to cook pigeon in a stew or with *fireek*, cracked wheat gathered green, dried and flavored with cream, garlic, butter and onion. The fireek can be either a stuffing or a "nest" in which the pigeon is cooked. When used as a nest, the fireek becomes a brown, crusty mound but the pigeon inside stays moist and succulent.

With their proximity to the Nile, the Red Sea, the lakes of the Delta and the Mediterranean, it is no wonder that Egyptians are great lovers of fish. From the Delta comes the *buri*, a grey mullet that can be served fresh or dried and salted, and whose eggs are made into *batrakh*, a kind of caviar. According to food writer Lesley Blanch, Egyptian fish dishes are primarily Mediterranean in style. Sometimes a large fish, such as a bass, will be stuffed with onions, parsley and other herbs and smothered in tahini. This dish, known as *saidia*, can be eaten hot or cold.

Spices of all sorts are used in Egyptian food; it is said that at one time Cairo had its choice of more than 200 of the world's aromatics. Egyptians still shop for spices at the bazaars found in every town. Yet the food is not overly spicy—not so hot as the foods of India or Mexico. Sesame seeds, cardamom, dried limes, mastic, nutmeg, saffron, coriander, sumac and tamarind (a prominent spice in worcestershire sauce) are some of the spices most often used in Egyptian food.

Eggplant is the favorite vegetable of the Middle East, but Egyptians also like okra, calling it *bamia*, which means ladies' fingers. Other vegetables come in the form of salads, often in a yogurt dressing. Fruits grow in profusion in Egypt's warm climate, and figs, dates, apricots, mangoes and melons are popular desserts, as are fruit ices and sherbet.

Like other Middle Easterners, Egyptians have a sweet tooth and enjoy rich pastries made with honey, nuts, dried fruit and rose water; but these are eaten between—not with—meals. Honey cakes, puddings and scented rice are some favorites. Some popular confections include *konafa*, made with shredded wheat and stuffed with pistachios, sugar and different kinds of syrup; *kattef*, a puff pastry filled with either cream or raisins or sugar and *zalabia*, tiny, light crisp golden fritters soaked in orange blossom and rose-scented syrup.

Since Islam forbids alcoholic drinks and cooking with alcohol, coffee often takes on the social function of alcohol. Often called "the wine of Islam," coffee is usually flavored with cardamom and can be ordered unsweetened, very sweet or medium sweet. Tea, always served in glasses, is also popular, and in the winter it is sometimes laced with ginger.

For Americans—just a little

For the restaurant owner who wants to bring a taste of Egypt or the Middle East to his or her menu, Joyce Goldstein, owner and chef of Square One Restaurant in San Francisco, advises restraint.

"In our experience, Americans are not ready for a full menu of Arabic food," says Goldstein, who often features ethnic food in her restaurant. She will add just a couple of Middle Eastern dishes to her regular selections. For instance, she might offer a mazzah platter, a whole array of Middle Eastern hors d'oeuvres. Or she will concoct an adaptation of a Middle Eastern food, such as her Turkish-coffee ice cream, which contains ice cream, coffee, cardamom and rose water.

Michel Richard, the chef-owner of Citrus in Los Angeles, also likes to adapt ethnic recipes. For example, he has devised a Mediterranean ravioli in which he stuffs the ravioli with fresh goat cheese and a dried ratatouille mix (eggplant, zucchini and tomatoes). He serves it with a yogurt sauce made with garlic, fresh basil, olive oil and the chicken broth in which the ravioli was cooked.

Any promotions featuring Middle Eastern food would do well to mention how healthy it is. Legumes and grains, such as rice and couscous, play an important part in the Middle Eastern diet, and Arabs eat only half the meat Americans do. The fats used are from olive oil and other vegetable oils, not animal fats. Yogurt, which every family makes in its own way, is used for dips, soups, salad dressings and marinades. The most easily digestible of all dairy products, it is thought to ensure longevity and health. And although they might spend all day drinking cup after cup of the strong-tasting coffee, the way in which it is made—boiling it repeatedly—eliminates much of the caffeine. ❑

MELOKHIA SOUP

Serves 3

This soup is traditionally prepared from the deep-green melokhia leaf, which is difficult to find, so this recipe substituted Swiss chard or spinach. The addition of yogurt is also an unconventional, but delicious, variation on the theme.

Ingredients:

12 cups chopped Swiss chard or spinach leaves, washed well and spun dry
1 cup peeled, seeded and chopped cucumber
2 Tbs. olive oil
3 cups chicken stock
1 tspn. sugar
4 garlic cloves, chopped
2 tspns. fresh lemon juice
¼ cup plain yogurt

Method:

In a large saucepan cook the Swiss chard and the cucumber in the oil over moderate heat, stirring until the chard is wilted. Add stock, sugar and garlic. Bring the liquid to a boil, and simmer the mixture, covered, for 13 to 15 minutes or until the vegetables are tender. In a blender or food processor purée the mixture in batches, transfer the purée to a saucepan and stir in fresh lemon juice, yogurt and salt and pepper to taste. Heat the soup over moderately low heat, stirring it until it is hot, but do not let it boil.

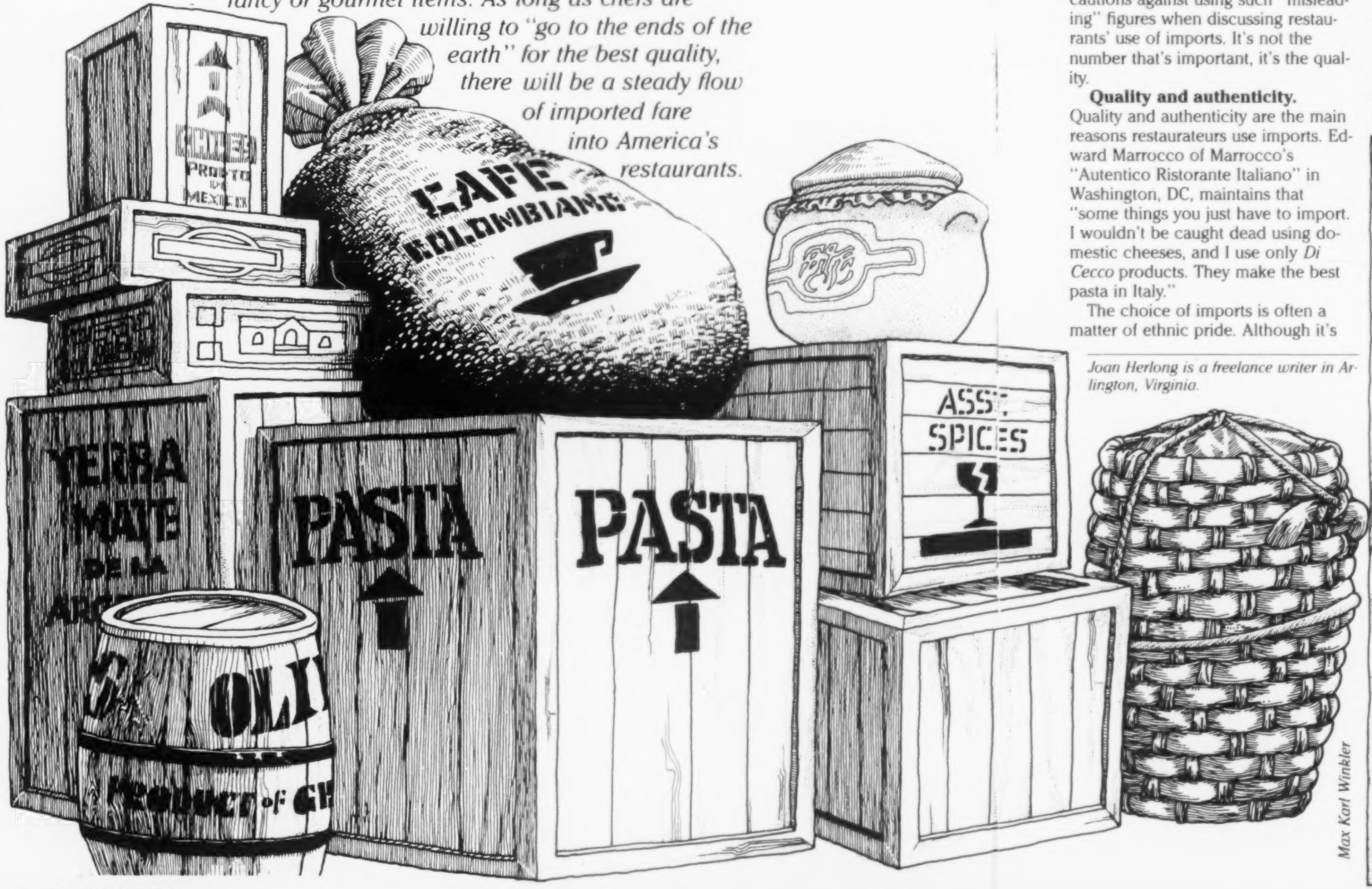
Recipe taken from an article by Lesley Blanch, "Flavors of the Nile," in the April 1986 issue of *Gourmet*.

by Joan E. Herlong

IMPORTS

As Important As Ever

The downturn in the dollar's value does not seem to threaten the growing use of imports, especially among fancy or gourmet items. As long as chefs are willing to "go to the ends of the earth" for the best quality, there will be a steady flow of imported fare into America's restaurants.



Max Karl Winkler

Piero Selvaggio is very particular about what goes into the Italian dishes created at his two restaurants, Valentino's in Santa Monica, California, and Primi in Los Angeles. So particular that he is reputed to insist on using only imported ingredients. "Not true," says Selvaggio. "I only import the *important* ingredients." He then lists virtually every element of Italian cuisine as being important, from *borlotti* to *bresaola*. Despite his long list, imports make up "maybe 25 percent" of his entire purchases, but Selvaggio cautions against using such "misleading" figures when discussing restaurants' use of imports. It's not the number that's important, it's the quality.

Quality and authenticity. Quality and authenticity are the main reasons restaurateurs use imports. Edward Marrocco of Marrocco's "Autentico Ristorante Italiano" in Washington, DC, maintains that "some things you just have to import. I wouldn't be caught dead using domestic cheeses, and I use only *Di Cecco* products. They make the best pasta in Italy."

The choice of imports is often a matter of ethnic pride. Although it's quite common for fine Italian restaurants to use pasta, tomatoes and cheeses from Italy, for example, Greek restaurants often use the same imported ingredients—from Greece. George Markos, owner of the Akropol restaurant in Falls Church, Virginia, says such preferences are mostly due to customer expectations. Says Markos, "The California olives are really very good; but when people come to a Greek restaurant, they expect Greek olives, and *Kalamata* olives are the best in the world. I wouldn't be willing to change even for price reasons because people who know Greek food will suspect your consistency."

Roger Fessaguet, a partner at La Caravelle restaurant in New York City and editor of *Toques Blanches*, the magazine for French-speaking chefs in North America, says he prefers to use French goods, "as much as I can afford," because of quality and what he calls "securité." Fessaguet explains, "Chefs like to have their own products around them, what they were trained with, what they are used to. Besides, why call it a French restaurant if you don't use French ingredients? I don't think of it as just a meal but as an *education gastronomique*."

Availability. Another reason for using imported foods is availability. Seafood, for example, is almost synonymous with imports because of U.S. fishing regulations and seasonal fluctuations in supply. According to Roger Corey, trade analyst with the U.S. International Trade Commission, 65 percent of all the fish consumed by Americans in 1986 was imported. For shrimp, the import figure jumps to 80 percent. Corey explains that the

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Joan Herlong is a freelance writer in Arlington, Virginia.

Another perspective—buying American

Many American chefs and restaurateurs question the need for importing foods. For chef Larry Forgione of An American Place in New York City, the use of domestic products in his kitchen is not just a philosophy but an official policy. "I only use domestic ingredients," explains Forgione, "but I use American foods from a purely positive point of view—not to downplay anything else." Forgione creates his dishes based on American food history, but adds there are "no boundaries" to his fare.

Freshness—top reason

Top on the list of reasons for using only "home-grown" products comes freshness. George Tate, head chef at the Heathman Hotel in Portland, Oregon, like Forgione, says relying only on the best fresh products available simply makes the most sense. "We feature things at their *peak*," says Tate, "because at their peak, foods taste best and are the least expensive. I can't understand why anyone would want to do anything differently." Tate's menu features Oregon cuisine with a seasonal flair. Tate points to salmon as a good example of his "fresh approach" to ingredients. "The salmon are running now; and to get the best salmon we can, we have worked out an agreement so the fish are caught especially for our restaurant and handled and prepared right on the boat. It costs a little extra per pound, but it's well worth it."

At Campton Place in San Francisco, chef Bradley Ogden also depends on fresh American ingredients for the 400 meals his kitchen creates each day. Ogden says he has no problem matching the quality of imported foods, including cheeses, because "American products continue to get better all the time. I guess it all depends on what area you're in. Maybe there are some places in the United States where you can't find good fresh products all the time. But our produce in California is fantastic." Ogden maintains that even ethnic restaurants could use only domestic ingredients and still achieve excellent quality. "Importing seems to be a case of what you're used to, or of authenticity," Ogden supposes. "But the quality here is just the same."

Preparing dishes using only fresh, usually locally produced, foods is a satisfying and successful approach for these chefs, but they are hardly trying to nudge any importers out of business. Chef Larry Forgione aptly sums up the outlook of these "American-only" chefs when he says, "I don't use U.S. products to make a 'better than' statement. I use them because I want to highlight the bounty of what America has to offer in its foods—the richness and the unique quality."

fish situation is "a simple case of availability. There is only so much fish in the ocean. The demand for seafood in the United States is going up, but the supply is static."

Marcel Lahsene is head chef at Jake's Famous Crawfish in Portland, Oregon, serving 300 to 400 dinners nightly. Lahsene observes that, "The fish market is more subject to supply and demand than it is to fluctuations in the dollar. There are *daily* fluctuations." Lahsene explains that the amount of seafood he imports depends on quality, availability and weather conditions. "We have a good indigenous market for salmon, crab, sole, razor clams and various bottom fish; but if the weather is too rough to catch it locally, you've got to get it somewhere else. We have to import because we hang our hat on fresh seafood." A lot of the fish served at Jake's and other fresh-seafood restaurants comes from Mexico and Taiwan. With seasons running opposite to those in the United States, Chile and New Zealand are popular suppliers of fresh seafood during the winter months.

The frozen-fish market, dominated by large chains such as McDonald's and Long John Silver's, is also heavily dependent on imports. According to Corey at the U.S. International Trade Commission, the chain restaurants import their fish mostly, though not exclusively, from Scandinavian countries, such as Norway and Iceland.

Jim Salmon, vice president for purchasing at General Mills Restaurants, says Red Lobster must import most of its fish in order to meet its huge demand. Red Lobster buys its fish from about 23 nations, including the United States. Salmon explains that General Mills has "no set contracts at all. We negotiate for pounds on a yearly basis. Price is generally set by volume and the market itself. But price is always secondary to quality and supply."

For some ethnic restaurants featuring seafood, imports are as much a consequence of taste and custom as they are of supply. Philip Chiang, owner and general manager of the Mandarin, a Peking-style Chinese establishment in Beverly Hills, California, says his restaurant serves mostly Chinese and Taiwanese seafood because "American fishermen don't fish what we eat. To name a few—carp, jellyfish and sea slugs—are certainly available in American waters, but they are not familiar to the American palate. American fishermen catch what sells."

Price. One of the myths about imports is that imported automatically means more expensive, yet for many processed foods, imports can actually be cheaper than domestic versions of the same quality.

Because of lower labor costs abroad, products requiring labor-intensive preparation are especially good buys overseas. Chiang of The Mandarin points to water chestnuts as an example: "It requires a lot of labor to prepare water chestnuts. Water chestnuts grown and prepared in the traditional way in China are much cheaper than those we could get fresh in the United States and prepare ourselves. And China grows much more of them."

But not everything is cheaper abroad. Imports can get pricey when the dollar fluctuates and when there are changes in supply and demand. Ron Tanner, communications director for the National Association for the Specialty Food Trade, notes that "Changes in import food prices usually trail changes in the dollar by about six months." With the dollar's currently weak position vis a vis the European and Japanese markets, restaurateurs are beginning to feel the pinch. According to chef Fessaguet, "Prices on certain items, such as truffles, are getting out of range. About two months ago truffles went up to $220 for eight pounds. I don't think my customers want to pay that much for truffles."

As dips in the dollar push up prices for imports, restaurateurs must keep a balance between maintaining profits and customers. Edward Marrocco concedes that "Devaluation of the dollar has definitely hurt me. I guess that will eventually have to translate to slightly higher prices on the menu."

New markets. The depreciation of the dollar can create new markets for imported goods. Canada, for example, has been able to lure some American buyers because its national currency closely follows the U.S. dollar. Patrick LeNouvel, project manager for Canada's U.S. Bureau of External Affairs, relates that in the present currency market, "Canada has the initial advantage of price, and then we hope to retain new business by matching or exceeding others' quality. For example, a buyer priced out of the Norwegian salmon market can easily turn to Canada for our Atlantic salmon, which is equally good—plus our three *other* varieties of Pacific salmon, which Norway cannot provide."

No boundaries in the world of food

Of course, it would be misleading to suggest that choosy chefs choose only imported ingredients. Didier Durand, head chef at La Bohème in Winnetka, Illinois, creates classic French and "nouvelle" cuisine that he considers authentic regardless of where the ingredients come from. "I was trained in France," says Durand, "but I was not trained to insist on French products—only on quality. If I can find the same quality here, of course I will use it. It's not the ingredients that produce a French dish but the preparation."

Genie Luis, manager of Tilas, an "eclectic Latin American" restaurant in Houston, Texas, couldn't agree more. Lutz says that most of the spices used at Tilas are imported, but adds, "I don't think you can tell the difference between a fresh tomato grown in Houston or Matamoros." Although Tilas does not use many imported ingredients, Luis describes the fare as "authentic because of the preparation. The majority of our chefs are actually from, or trained in, Latin American countries. You don't get much more 'authentic' than that."

Even Piero Selvaggio warns against the use of imports as a proper gauge of a restaurant's quality or authenticity. Selvaggio places at least as much emphasis on his chefs and their "feel" for Italian cuisine as he does on the ingredients used. Selvaggio advises, "There are no boundaries in the world of food. There are certain things that are just not produced in Italy, but that doesn't mean Italians don't use them. Restaurants in Italy, after all, don't use *only* Italian foods." ☐

The Chinese were looking for importers, and brought some of their popular products—such as shrimp and frozen dim sum— to persuade candidates.

FRANCE
evian

All it takes to convince the disbelievers, maintains Vivian Geitz, sales manager of Evian, is a sample.

Dollar's downturn does not affect international exhibits

The devaluation of the dollar has put some dent in the import market, according to international exhibitors at the Show, but they came in larger numbers than ever before. China had a booth for the first time, and exhibitor Kung Hsun Wei reported he was looking for importers for such popular products as shrimp, tea and prepared frozen foods, especially Chinese-style dim sum. Wei was confident that he would be successful at the Show.

The German Wine Information Bureau was also optimistic, although some of its members cited a study by the National Association of Beverage Imports, which indicated sales of foreign wines were down 24 percent as a result of the weakening dollar. Nonetheless, even the Germans were introducing new products, such as Sichel Novum, a very dry wine by Peter S. Sichel of Blue Nun fame, and a riesling by the Rietburg Cooperative.

The fate of other products was more difficult to pin down. According to Philippe Pascal, president of Foods and Wine from France, "The value of the dollar is an obstacle to new companies that are trying to enter the market, but not for established companies." The exhibitors in the French Pavilion, such as Evian Water, Valhona Chocolate and Patis France, are all part of a distributor-and-importer network and represent some of France's most popular products.

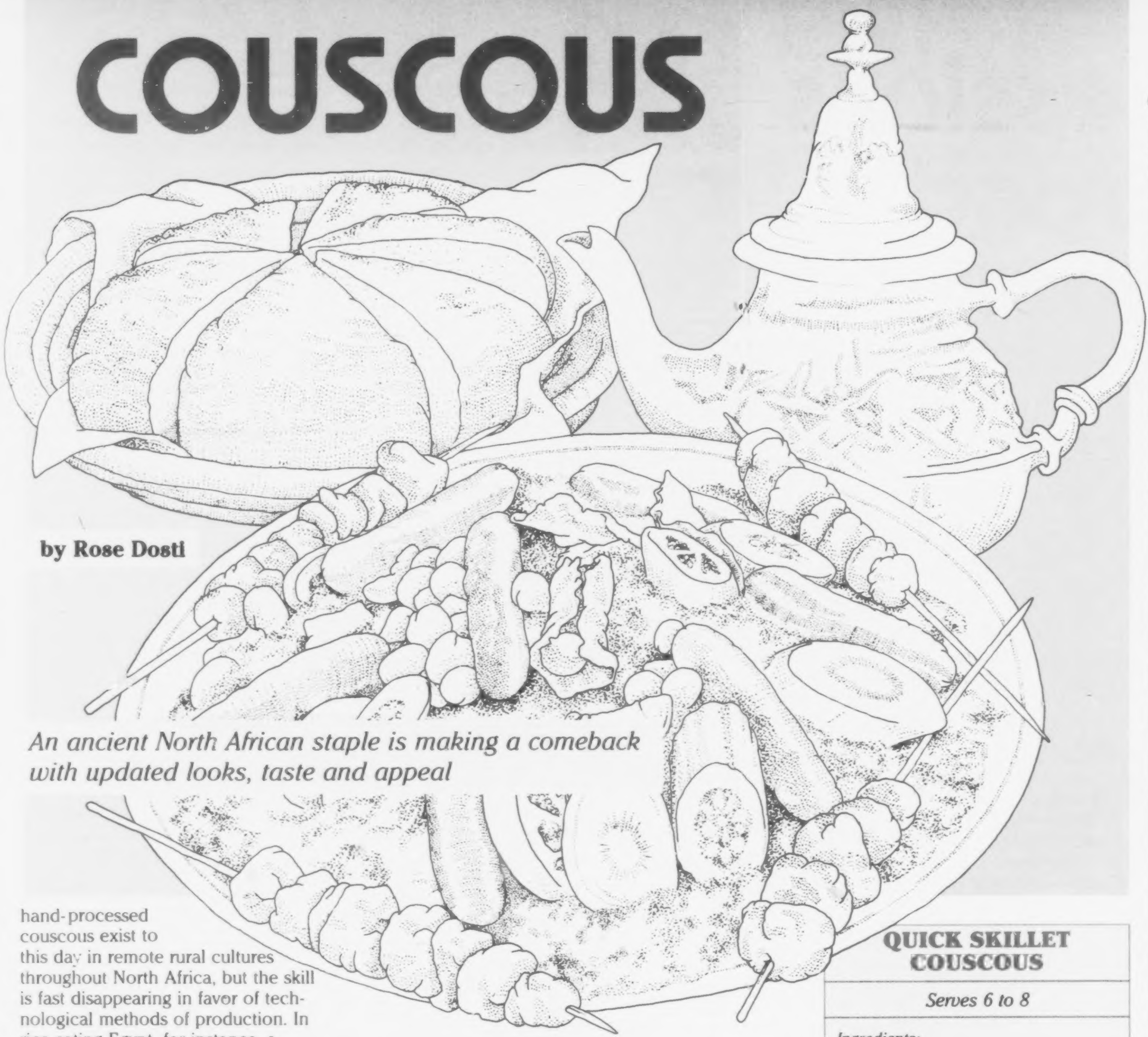
To increase interest in the pavilion, Foods and Wine from France ran hour-long seminars on topics related to the exhibited products, such as a session on beaujolais and macon wine by Georges Deboeuf. "They are in line with our strategy of education," said Pascal, who believes that even a small group of interested people made this approach worthwhile.

On-site preparation was a drawing card at New Zealand's booth where several grills were kept sizzling throughout the Show with fresh New Zealand seafood, such as green-shell mussels and orange roughy, as well as farm-raised venison and spring lamb.

COUSCOUS

by Rose Dosti

An ancient North African staple is making a comeback with updated looks, taste and appeal



The word *couscous* conjures visions of Bedouins racing across the desert against a blazing sun or a smoky Parisian cafe in the backwaters of the Latin Quarter where couscous is as well known as *pommes frites*.

Well, forget all that. Couscous is undergoing an image makeover. It's making a comeback with updated looks, taste and appeal, thanks to the imaginative chefs of some of the top restaurants in the country.

The basic structure of the couscous dish is still intact: couscous as a substitute for rice is served as a bed for stews, kebabs, meatballs and assorted vegetables, or as a side dish, much like rice. But the presentation and styling differ dramatically, depending on the skill and artistry of the chef.

At Citrus, one of the hottest eateries in Los Angeles, chef Michel Richard serves a couscous so unique, no North African couscous-eater would recognize his or her favorite grain, even though all the basic couscous ingredients are used. Richard serves turbans of couscous covered with paper-thin slices of lamb and topped with ultrarefined ratatouille, containing the traditional vegetables of the couscous meal.

Joachim Splichal (Regency Club, Los Angeles) makes Chicken and Cilantro Couscous—a dish so low in calories (because it is made without fat) that it was recently introduced on the special gourmet diet menu at Hollywood Presbyterian Hospital. These are but two examples of a growing trend.

Couscous is one of the first pasta products derived from wheat (probably predating Marco Polo's spaghetti contribution by several millenia). In the hands of the nomadic Berbers, the aboriginal people of North Africa, semolina from hard durum wheat was processed into a dough, which was then rolled between the palms of hands into tiny nuggets or crumbs. When cooked, the crumbs expand, as does any pasta or rice. The combination of couscous with vegetables and often meat created a completely balanced and nutritious diet. Recipes for hand-processed couscous exist to this day in remote rural cultures throughout North Africa, but the skill is fast disappearing in favor of technological methods of production. In rice-eating Egypt, for instance, a couscous dish known as *el sebour'* is used as part of a ritual for weddings, circumcisions and baptisms. However, in other parts of North Africa, such as Morocco, Tunis and Algeria, there is no major event, banquet or family meal without a dish of couscous.

You can adapt couscous to any recipe using rice or pasta. You can add any vegetables to the couscous, or top it with any vegetables or meat stew, goulash, curry or any sauce, including Italian, Cajun-style, Thai or Japanese (teriyaki) sauces. You can also add couscous to soups.

Couscous can be steamed, braised or microwaved. Some cooks prefer soaking the grains in water until the liquid is absorbed before cooking, to expand and soften them.

Many North African cooks rub olive oil or another vegetable oil into the soaked grains between the palms of hands to aid the separation of the grains. But that is a matter of personal preference as well. You can serve the couscous plain, or with butter or hot oil added for extra flavor and moistness. Juices from meats, vegetables or sauces also are added, according to taste. ☐

Rose Dosti is a staff writer for the Los Angeles Times.

QUICK SKILLET COUSCOUS

Serves 6 to 8

Ingredients:

1 lb. couscous
2 Tbs. olive oil
2 cups hot broth or hot water
Salt
Dash cumin
Dash paprika
1 Tbs. butter

Method:

Brown couscous in oil. Add hot broth and let stand until liquid is absorbed. Couscous will expand. Add salt, cumin, paprika and butter. Stir and mound on serving dish. Place in 350 degree oven 5 minutes to dry slightly. Before serving separate grains with fork.

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CHICKEN COUSCOUS JOACHIM SPLICHAL

Serves 4

Ingredients:

1 (2-to-3-pound) chicken, cut up and skinned
3 cups defatted chicken stock
1 carrot, peeled
½ stalk celery, peeled
1 small onion, chopped
1 leek, well rinsed
1 turnip, peeled
1 lemon, halved
1½ bunch cilantro, chopped
1 red onion
1½ cups couscous
Cold tomato sauce (see recipe)

Method:

Place chicken in steamer basket. Put chicken stock, carrot, celery, onion, leek, turnip and lemon halves in bottom of steamer and bring to boil. Steam chicken until tender, about 35 to 40 minutes. Remove chicken and cool.

Meanwhile, bring chicken broth to reboil in steamer pot. Add cilantro and red onion. Place couscous in rinsed steamer basket and cook couscous until done, according to package directions.

Skin and bone chicken. Slice meat. Slice carrot, celery, onion, leek and turnip. Discard lemon. Arrange chicken and vegetables over couscous. Serve with cold tomato sauce.

COLD TOMATO SAUCE

Ingredients:

8 plum tomatoes
1 bunch cilantro, chopped
1 (8-ounce) can tomato juice
1 bunch green onions, finely julienned

Method:

Dice tomatoes and combine with cilantro. Add tomato juice and green onions. Serve with couscous.

MICHEL RICHARD'S COUSCOUS WITH LAMB

Serves 4

Ingredients:

1 (1-lb.) loin of lamb
Salt, pepper
1 clove garlic, split
1 cup chicken broth
1 cup couscous
1 Tbs. olive oil
Ratatouille (see recipe)

Method:

Rub lamb loin with salt and pepper to taste, and split side of garlic cloves. Place in baking pan and roast at 400 degrees 20 to 30 minutes or until meat thermometer reaches 140 to 150 degrees, depending on rareness desired. Do not overcook.

Bring chicken broth to boil, with salt and pepper to taste. Add couscous. Stir and remove from heat. Stir in oil and let stand 10 minutes.

To serve, slice lamb thinly. Using 4-inch Charlotte mold or clean, empty ring fashioned from 12-ounce (2-inch-deep) sterilized tuna can, with label, lid and bottom removed, overlap slices in bottom and sides of mold or ring. Pack couscous over lamb almost to rim. Top evenly wtih some ratatouille. Invert molds on serving plate and top with more ratatouille and juices from lamb and ratatouille. Serve at once.

RATATOUILLE

Ingredients:

1 Japanese eggplant
1 tomato
1 zucchini
1 Tbs. olive oil
½ yellow pepper, diced
½ sweet red pepper, diced
½ green pepper, diced
½ cured lemon or zest from 1 lemon
½ red onion, diced
1 clove garlic, minced
1 Tbs. minced fresh basil
1 tspn. cumin; salt and pepper

Method:

Cut eggplant in half. Scoop out seeds and discard, leaving only ½-inch shell with skin intact. Cut shells into tiny dice. Cut tomato in half, scoop out seeds and discard, then dice. Repeat for zucchini.

Heat oil in large skillet. Add eggplant, tomato, zucchini, peppers, lemon peel, onion, garlic, basil and cumin. Saute until vegetables are barely cooked. Season to taste with salt and pepper.

Place in freezer tray to cool in freezer, to stop further cooking and to preserve color. At last minute, reheat and assemble with couscous as directed in recipe. Makes about 4 cups.

Two Sessions of Show and Tell

The 18th annual National Restaurant Association Culinary Arts Salon showcased the works of some of America's finest chefs in its first-ever double salon. A panel of 10 judges—all National Culinary Team members—selected winners from the first session, which was held on Saturday and Sunday, May 21 and 22, and then had to repeat the difficult selection process in the second salon, held on Monday and Tuesday, May 23 and 24.

Show attendees were dazzled by as many as 200 entries—easily doubling last year's number. Expanding the salon to two separate sessions increased the available table space to 9,000 square feet, allowing all interested applicants to participate in this prestigious national competition. Participants were able to choose the session of their choice. According to Al Natker, who coordinates the annual event from the National Restaurant Association Chicago office, this decision is dictated by the participants' demanding schedules. "It's difficult for chefs to get five days off to enter this competition—many have to drive cross-country with the food in their car and the air conditioners blasting," Natker explains.

Show attendees scrutinize the beautiful displays in the Culinary Arts Salons to take ideas back to their own kitchens.

The Culinary Arts Salon promises to be even more exciting in years to come. According to Natker, "At this year's Show, I had requests from people from France, Mexico, the West Indies—all over—for information on how to participate next year."

First salon highlights

Lawrence McFadden of the Greenbrier Hotel in White Sulphur Springs, West Virginia, captured the award for Best Piece of the Show in the first

Drilling for gold

When Sergeant First Class David H. Ramos, born in Quito, Ecuador, came to America at age 20, he worked for a year in French restaurants in Washington, DC. Then he joined the U.S. Army and selected foodservice as his career. That decision has taken him to Korea, Germany, Switzerland and Spain. "I was very fortunate to learn about the foods in the countries where I worked," says Ramos, now a Certified Executive Chef (C.E.C.).

His gold-winning entry at the Springboard to Frankfurt display included an English-style cake and two centerpieces, one a pastillage miniature of a princess, complete with a castle relief inside the egg. Ramos believes that this piece was particularly impressive because of its exacting detail and size. Ramos, who draws everything before he executes it, says it took him 10 days to complete the pastillage miniature. His entry also included eight types of petits fours and a selection of classical cold sweets.

With the Chicago Show behind him, Ramos feels more confident to lead the Army team at the "Culinary Olympics" in Frankfurt, Germany.

Ramos' teammate, Warrant Officer Eric Morgan of the Army Catering Corps of the British Army, is a bit of a rarity for a chef of his experience. "I had never entered competitions before I came here," says the Wales-born Morgan, who is with the Army's cooks' school on the two-year exchange program until fall 1989. His winning piece

It took Sergeant David Ramos 10 days to complete his pastillage display that won him a gold medal in the Springboard to Frankfurt competition.

session of the Culinary Arts Salon. His display included smoked tuna steak, salmon steak and "Wild Turkey Allegheny" plus a wild turkey out of salt dough, colored red, green and white.

Alain Robey of the Hyatt Regency, Chicago, received the Judges' Special Award for Pastry for "Fantasy on Water," an elaborate Show-stopper depicting two swans pulling a boat. This piece required 90 pounds of sugar for its construction. "The idea of the swans pulling the boat is for my wife," Robey explains. "Since I am relocating from New York, I have been separated from my wife until she can move; so the swans pulling the boat with the inscription on the cake, 'I love you, Esther,' is my way of carrying her here."

A Judges' Special Award also went to Alex Darvishi of The Athletic Club of Columbus, Ohio, for his team's display of eight individual plates and two restaurant platters, including duck, seafood, beef tenderloin, lamb, guinea hen, quail and "Buddhist Paradise," a vegetarian dish.

Chef Leo Waldmeier of the Drake Hotel in Chicago claimed the award for Most Original Piece of the Show for his display of 10 soups from around the world. The entry included a placard with a description that read: "From the new eating trends—back to Grandmother's cooking, when a

of Chinese temples in pastillage included an entire scene with pagoda, bridge, Chinese pond and tea pavilion.

As a preliminary to Chicago, in March of this year Morgan entered a culinary show in Charlotte, North Carolina, and won a gold medal. "I began preparing for Chicago after Easter. I went to the library and got out books on Chinese architecture. It took me three days just to build a paper model to scale," explains Morgan. Then it took three weeks to build the display, which had to be transported 900 miles to Chicago. "We packed it in boxes of styrofoam and hoped for the best," notes Morgan. Driving at 45 miles an hour, it took two days to get to Chicago. "The last 12 miles took two hours, and we put signs on the side of the van indicating that we were the 'U.S. Army Culinary Arts Team' so other motorists would not get upset."

Sample timetable for culinary competition

Note: Entrants must comply with deadlines regarding entry and other dates and with all other competition requirements.

Part A: Six months before competition

1. Decide on category for entry.
2. Prepare money and time budgets.
3. Write/revise/select recipes.
4. Write ingredient specifications for primary ingredients.
5. Write purchase orders and select suppliers for primary ingredients.
6. Begin preparation of salt, sugar, chocolate or other sculptures.
7. Select display items, dinner plates, etc.

Part B: Three months before competition

1. Conduct first tests and self-judge your entry; get ideas from experienced chefs or your instructors.
2. Develop and revise detailed equipment, supply and ingredient lists.
3. Develop detailed time schedule required for preparation.
4. Design alternative display arrangements; decide on display to be used.

Part C: One month before competition

1. Prepare any bread sculptures or gum-paste containers.
2. Finish any salt, sugar or chocolate sculptures.

Part D: One week before competition

1. Prepare a detailed schedule.
2. Prepare all pates, terrines, gallantines; store them wrapped or covered in airtight containers.
3. Make description cards or signs.

Part E: Three days before competition

1. Check everything prepared to this point; ensure that all items are acceptable.
2. Begin preparation of carved vegetable containers.
3. Poach any poultry, fish or other items.
4. Prepare any rice or other timbales and related items that you will need.
5. Prepare aspic.
6. Prepare all sauces for hot food displayed cold.

Part F: Two days before competition

1. Recheck every item prepared to this point.
2. Cook any yellow vegetables.
3. Arrange containers for transportation to the competition site.
4. Pack cleaning sprays for mirrors, along with towels and all other cleaning and related supplies.

Part G: One day before competition

1. Cook all remaining meat, poultry, game and fish.
2. Cut and blanch all remaining garnishes; cook and store them in damp covered containers.
3. Cook all remaining items, such as fruit.
4. Assemble styrofoam slabs, toothpicks, spatulas, paring knives and other equipment you will use.
5. Assemble all platters and mirrors; polish if needed.
6. Bake any perishable goods; assemble pastries and cakes.

Part H: The night before competition (5 p.m.)

1. Prepare bain-maries for warming aspic and sauces.
2. Place aspic and sauces in bain-marie and melt.
3. Slice all required items (such as meats, game, poultry, fish, pates, terrines and gallantines); line them up on racks in the layout that will be used for the display so that items can be glazed.
4. Unwrap and dry all vegetables and garnishes.
5. Finish icing all pastries and cakes.
6. Apply aspic to all items needing glaze (apply three coats).
7. Remove aspic drips, bubbles and icicles; reglaze if necessary.
8. Start assembly of platter displays that will be transported assembled.
9. Pack items that you will assemble on location.
10. Clean up and turn off equipment.
11. Load car or truck. Ensure that all required items are loaded; drive to competition site.
12. Unload and assemble your display; ensure that you count every slice and garnish twice.
13. Return all unneeded containers to your truck or car.
14. Return with camera; ensure that everything looks perfect and take pictures.
15. Eat and relax.
16. Return to competition site for results and request that judges critique your entries and provide suggestions for improvements.

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good soup was a meal by itself." (See menu.)

An exceptionally bright spot in the student-entry category was the culinary team from the National Center for Hospitality Studies at Sullivan Junior College of Business in Louisville, Kentucky. The seven-member team won five medals—three golds and two silvers. This is particularly notable because the center has only been open for nine months. Gold medal winners were Robert Straw, Candice Bates and Dorothy Smith.

Arnold Tokarz from The Athletic Club of Columbus was judged the top Junior Culinarian for a display that reflected the back-to-basics theme with "pork and beans" and a turkey platter. Tokarz says he got the idea for the display when he accompanied his boss Alex Darvishi—also a winner—to the Show last year.

Second salon highlights

The Lodge of the Four Seasons in Lake Ozark, Missouri, received the award for Best of the Show in the Grand Buffet category in the second session of the Culinary Arts Salon. This team also captured a Judges' Special Award for its model of the U.S.S. Constitution, "Old Ironsides." The ship, created with gum paste, was intricately detailed—including patches stitched into the sails. "We bought a model of the ship, studied it and built our ship like one would build a real ship. In fact, if you looked inside the back of the ship, into the living quarters, you would see a bed and pillow, maps and dining table," says team captain Andre Torres.

The award for Most Original Piece of the Show went to Gunter Lorscheidt of the Four Seasons Inn on the Park, of Toronto, for his two restaurant platters for four.

James Hanyzeski, chef of the 1913 Room at the Amway Grand Plaza Hotel in Grand Rapids, Michigan, was awarded the Best Piece of the Show for his display featuring "Lamb Bouillon Potato-Filled Dumpling" and "Jordan Valley Brook Trout with Asparagus Puree."

A Judges' Special Award for Pastry went to Cynthia Coston, also of the Amway Grand Plaza, for her elaborate creation which combined a box made of chocolate with beribboned lid, filled with delicate chocolate confections, and set against a chocolate trellis with trailing roses, an assortment of petits fours, a pulled sugar centerpiece and a wedding cake decorated in peach, pink and purple wildflowers and pulled sugar.

The best entry from a junior culinarian was created by Patty Sinkeldam of Central Piedmont Community College in Charlotte, North Carolina, who impressed the judges with her decorative centerpiece featuring the California Raisins.

Springboard to Frankfurt

Franz Poepperl of the Western Culinary Institute of Portland, Oregon, was awarded a blue ribbon for his "all rabbit" array of entrees and plates—11 dishes in all.

The Judges' Special Award went to David Ramos of the U.S. Army and Roland Henin of the Western Regional Team. (See sidebar.)

The Western Regional Team was first in the standings, followed by the U.S. Army and Walt Disney World. ❑

A menu of soups

Italy
Rabbit Consomme, Pistachio Ravioli and Vegetable Spaghetti
France
Pot au Feu of Boiled Chicken and Beef Roulade with Spring Vegetables
Spain
Stuffed Squid with Crayfish Tails in Mussel Broth
China
Double Boiled Duck Web Soup with Chinese Mushrooms
Germany
Lentil Soup with Smoked Quail and Baby Leek
Belgium
Cold Zucchini Soup with Bay Scallops and Caviar
Austria
Venison Consomme with Stuffed Morels and Semolina Dumpling
Peru
Chilled Tomato Soup with Eish and Seafood Seviche
Ireland
Lamb Consomme with Boiled Tongue and Cabbage Roll
America
Wild Rice Chowder with Maine Lobster and Corn

LEARNING FROM THE MASTERS

One of the highlights of this year's Show was the inaugural Chefs Stage, a series of cooking demonstrations by some of the nation's top chefs. As the chefs whipped up their award-winning signature dishes, the audience furiously scribbled down notes and marveled at the demonstrators' knack for making the difficult look easy. Although each new dish had mouths watering, attendees seemed to agree that the techniques and information passed on by the chefs were of even more value than the individual recipes. Here are some of the tips:

1. Salmon makes an excellent puree because it has a lot of oil in the flesh. (Noel Cullen)
2. Make crepes in a large sheetpan in the oven—it's quicker and easier, than in a pan and you can cut them into any shape you want. (Tim Ryan)
3. "Today, sauces are served under the food rather than over." (Cullen)
4. "I like to serve scallion brushes as a garnish because they can also be dipped in the sauce and eaten." (Cullen)
5. When you use a stainless steel whisk with an aluminum pan, make minimal contact, because your sauces will turn grey. (David Jarvis)
6. When measuring liquid ingredients in a measuring cup, use the most expensive ingredients first so you can wash out every last drop with the other ingredients. (Jarvis)
7. "I like to use cider instead of wine because it gives sauces a distinctive flavor." (Pierre Pollin)
8. Never add milk to omelettes. Add two tablespoons of water for every two eggs. The water steams, creating a lighter, fluffy omelette. (Howard Helmer)
9. The "Chinese boning knife' (a number 3 cleaver) can be used for almost anything a Chinese chef needs to do. (Martin Yan)
10. When you are combining disparate ingredients (such as in Chicken Saint Cloud, which is chicken stuffed with salmon), always balance the seasonings so no one flavor overpowers another. (Johnny Rivers)
11. "The best recipes consider economy as well as unique combinations and interesting presentation." (Ryan)

❑

David Jarvis, chef/owner of Melange in Wilmette, Illinois, measures out ingredients for a peanut sauce that he will toss with scallions, watercress, bean sprouts and stir-fried bay scallops.

Chefs Stage

Johnny Rivers, executive chef at Walt Disney World's Contemporary Resort Hotel, displays his "Chicken Saint Cloud"—a healthy dish made with stuffed chicken breast that is rolled and then poached.

Martin Yan, star of public television's "Yan Can Cook," entertained the audience with his engaging personality and blindingly fast cleaver.

Howard Helmer, omelette-maker extraordinaire, asks the audience, "What can go in an omelette?" Their trained response: "Anything!"

In front of a packed house, Mark Erickson prepares "Stuffed Cornish Game Hen, Minnesota Woodsman-Style," as his colleague at the Culinary Institute of America, Tim Ryan, prepares his next verbal dart for the friendly banter between them.

Pierre Pollin of Le Titi de Paris in Arlington Heights, Illinois, prepared a simple, but award-winning, dish of layered eggplant, tomato sauce, zucchini and shrimp.

by Kathy Boyle

Dessert Trays

Serving Up Sweet Profits

Who can resist a chocolate fudge cake or a fresh bowl of strawberries when they can smell the delicious aroma and see their voluptuous sweetness? Not many, say operators who find that bringing dessert trays to the table makes it easy to say yes to after-dinner treats.

"You learn something every day," says Bill Gillespie, co-owner of the 225-seat The Shore Bird in Princeton-by-the-Sea, California. "About two years ago I invited a group of tour agency heads to my restaurant to set up some bus tours to our area. After dinner, I offered everyone a dessert. When they began to say 'no,' I said, 'You have to see our desserts.' I asked a waitress to bring out a tray of some of the desserts so they could look at what we have. I was impressed when I saw the items on the tray. So was everyone else, and, of course, they all had a dessert. It raised the question, 'Why haven't we done this before?' Since that time, dessert trays have become a mainstay, and dessert sales have gone up at least 20 percent."

The increase is even more remarkable at Phillips Seafood Restaurants, Inc., a group of seven restaurants in Ocean City, Maryland; Baltimore, Maryland; Washington, DC; and Norfolk, Virginia. "Since we started serving our desserts on dessert trays a year ago, dessert sales increased 50 percent," says Lloyd Byrd, corporate director of purchasing.

"We were never real pushers of appetizers and desserts because we run a rather large, high-volume operation in the summer at the ocean resort," Byrd explains. "However, in the winter we try to upgrade. At our Phillips-by-the-Sea operation, we do some tableside cooking and tried dessert carts. It was a nice touch. How can you resist Grand Marnier cake staring you in the face?"

Following the wintertime success, Phillips decided to give desserts a test in its summer operations. But because of limited space, the restaurant decided to use trays instead of carts. "To tell the truth," Byrd adds, "we did not push it much at first. With 225 servers, we left it up to the staff: 'Take the dessert tray if you want to,' we said." The servers did, and profits soared.

Make it look irresistible

The switch to dessert trays usually requires no revamping of the dessert menu. In fact, customers expect to see their old favorites and any additional seasonal offerings you might add. Even if the menu does not change, a great deal of thought should go into making a beautiful presentation. Operators are unanimous that the display is critical to the success of dessert trays. Depending on the type of restaurant, operators use either a silver or a stainless tray, decorated with cloth napkins or paper doilies. Some operators even use garnish, such as fresh flowers, to add to the tray's attractiveness. "I go for eye appeal wherever possible," says Marlene Colucci, owner of Boccaccio's (140 seats) in Westlake Village, California, and the Florian (200 seats) in Washington, DC. She likes to combine tall items, such as a tall chocolate mousse cake decorated in black and white, with shorter, colorful, fresh fruit tarts.

According to Reid L. Ashton, owner of the 252-seat Golden Mushroom Restaurant in Southfield, Michigan, "The best way to merchandise desserts is to show them. And they are certainly the easiest thing to show." A strong believer in visual merchandising, Ashton does not feature desserts on the main menu. Instead, after dinner, servers bring an after-dinner drink list and a dessert tray to the table. About 15 desserts—all made in-house by the pastry chef—are arranged on a silver tray.

"Not everyone is a chocoholic, so we include fresh fruits and cheeses for those who may want something lighter," notes Ashton, "as well as a choice of chocolate items, pastries, tortes and mousses (one in a handmade chocolate cup)."

Barbara Gordon, director of marketing for the Big "4" Restaurants in Phoenix (which operate Oscar Taylor Restaurants), agrees that variety is critical. Although the restaurants are well known for the chain's signature items, they feature other items—from chocolate to fresh fruit—including 10 cakes. In fact, the 110-seat Inn at Glen Echo in Glen Echo, Maryland, discontinued its dessert tray when it revamped its menu and found that only two of its desserts could be displayed on a tray. The others must be served cold or fresh from the oven.

Operators are divided about whether trays should be for display only or for the sale of items. At Big "4" Restaurants, Phoenix, Arizona, for example, the trays include only sample items. Other establishments, however, serve off the dessert tray, replacing items as they are sold.

Send out a trained staff

Knowledgeable servers who are enthusiastic about the desserts on the tray are another key element in dessert sales success. Interviewed operators were unanimous in their belief that servers must have firsthand knowledge of the product. "Servers tasted everything during their training, and as new desserts are introduced, they sample these items, too," says Gordon.

Scandia, a 285-seat restaurant in West Hollywood, California, and the Golden Mushroom routinely hold tastings for all employees. Employees not only taste every item, but also learn in detail the cooking methods and ingredients used, so servers can discuss the selections with customers. At the Golden Mushroom these tastings and updates follow the intensive training period for servers when they are hired. Servers even take a test at the end of their training to prove they understand all the items.

Ashton of the Golden Mushroom notes one of the keys to suggestive selling: "You never ask, 'Do you want dessert?' Instead, you ask, 'Do you want our apple flan?' " Gillespie of The Shore Bird also notes the value of carefully selected words when selling desserts. "The first word out of their mouths should be 'homemade,' " says Gillespie. And at Phillips Restaurant, "the main description we like to get across is 'fresh-baked,' " says Byrd. As an incentive to sell desserts, The Shore Bird gives a bottle of wine to the highest seller on each shift.

Take the long way around

Some operators have found that showmanship can play a role in merchandising dessert trays. "We always tell servers to take the long way around to their tables when they are bringing the tray of desserts," explains Gillespie. "It is amazing what happens—people see the desserts go by—lemon meringue tart, pumpkin mousse pie, pumpkin pie, New York-style cheesecake with blueberries, mud pie, strawberries on a bed of ice served with powered sugar—and they make their choices early."

The Florian also serves the trays in style, but with a slightly different presentation. "We carry about six desserts to the table, just like in France," says manager David Craig. The whole cakes or tarts are set on the table or held by the server. It can take several servers to get the cakes to the table and hold them while the diner makes a decision, which, of course, draws all the customers' attention to the desserts.

Other pluses

In addition to stimulating dessert sales, operators report a dessert tray has operational advantages. It increases menu flexibility, makes room for seasonal specials and occasional novelty items, and can be used to expand a small list of dessert items.

Many operators also maintain that dessert trays lead to increased sales of other dessert items that cannot easily be displayed on the tray. While holding the tray, servers explain hot and cold dessert items ready to be served from the kitchen. Denny Ferrari, assistant manager of the 120-seat Lark Creek Inn in Larkspur, California, is convinced that dessert trays have boosted sales of "tucked-away" items. "We serve a beer-batter banana fritter, which is deep fried and served piping hot. When the server explains this item with the other items sitting on the tray, diners are tempted to order it." The same is true for cold desserts, such as the Lark Creek Inn's chocolate log with pistachio sauce, poached pears with chocolate sauce, and Italian gelato, none of which are displayed on the tray. ❑

Kathy Boyle is a freelance writer in Rockville, Maryland, who writes frequently for ***Restaurants USA.***

Filling your tray at the Show

It would take a dessert tray of enormous proportions to accommodate the tremendous variety of desserts represented at this year's Show. There seemed to be a run on booths featuring handmade, decadently rich cakes and pies. Vendors were steadily slicing up samples of their specialties for eager taste-testers. If you were to assemble a dessert tray from the confections on the Show floor, here is what you might include.

☐ **The Heath Bar Crunch Pie** from Sweet Street Desserts in Reading, Pennsylvania. Attendees were spreading the word that it had to be tasted to be believed. Or the company's new **Coco Loco Tropical Cake**—smothered in coconut, covered with waves of whipped cream, topped with fresh lime slices and featuring "a kick of tequila."

☐ **Trianon Chocolate Truffle Cake**—a combination of bittersweet chocolate, liqueurs and a taste of apricot. According to Susan's Sweet Talk, a division of Love and Quiches Ltd. from Freeport, New York, this is the company's "richest, most elegant dessert." For non-chocolate-lovers the booth featured **Hazelnut Mocha Torte** and **Raspberry Walnut Cake.**

☐ **Handmade strudel** (seven varieties) from SinBad Sweets of Clovis, California, or a selection from the company's new line of **cheese, fruit and nut tarts.**

☐ **Tropical Lemon Cake** from Country Epicure of Elmsford, New York, a division of Vie de France Corporation, with layers of creamy lemon mousse, or their version of the old classic **Black Forest Cake,** which weighs more than three pounds and contains real sour cherries.

☐ **Banana Split Cake** from Aphrodite Confections of Love of Huntington Beach, California—cut a slice and you have all the ingredients of America's favorite sundae! This booth was also offering samples of two other new cakes: **Chocolate Supreme Cake** with three flavors of mousse and a **Kahlua Mile-High Cake.**

And **cheesecakes,** cheesecakes, cheesecakes! It seems that America's love affair with cheesecake is far from over, judging from the number of dessert vendors pitching their special variations of the classic confection from **Praline Ripple** to **White Chocolate Macadamia.**

And for the centerpiece, a custom-designed apple perhaps? Mrs. Prindable, Inc., of Skokie, Illinois, creates extravagantly decorated apples for every occasion. The company starts with a one-and-a-half pound apple and creates more than 60 varieties of **hand-dipped apples** with ingredients that include a selection of three types of caramel, two types of chocolate, five kinds of nuts and a variety of other toppings to make each apple a unique taste—and visual—sensation. ❑

SHOW FLOOR

What's Hot and What's Not

What kind of times are these? Feverishly competitive if the Show floor is any indication. On every aisle there were ideas for faster, fresher, tastier, more efficient ways of serving food to customers. There were 14 different frozen yogurts alone—up from last year's nine, 25 percent more catering supply booths, and new ideas from an automatic handwashing machine to a countertop fish smoker. Here's a taste of the variety.

More than 102,000 attendees from all over the world came to look, learn and sample the 1,900 products and services exhibited at this year's Show.

A delivery car with a warming oven "riding shotgun" drew attention for its space-saving efficiency.

TEC
TOKYO ELECTRIC

John Metz, chairman of the convention committee, picks the winner's name in the association membership drawing at the Show. Tom Muller from Chaut General Store, Ashville, New York, was the lucky winner of a complete POS system from TEC America. From left, John Canary, executive vice president of TEC America; Don Ethier, director, membership and direct marketing, National Restaurant Association; Metz; and Fred Shook, sales manager, hospitality, TEC America.

HEARTTHROB ENTERPRISES INC

Calling all managers, investors, developers, partners and international franchisers. Heartthrob Enterprises was at the Show to get word out about its privately-owned nightclub/restaurant corporation—and to find some business leads. Were they successful? "Oh definitely."

Time savers

☐ Ginger—peeled, chopped and ready to use.

☐ Hard-cooked, peeled eggs packaged in controlled-atmosphere packaging.

☐ Partially-cooked wild rice, microwaveable, too

☐ Spice mix for Caribbean "jerk" chicken

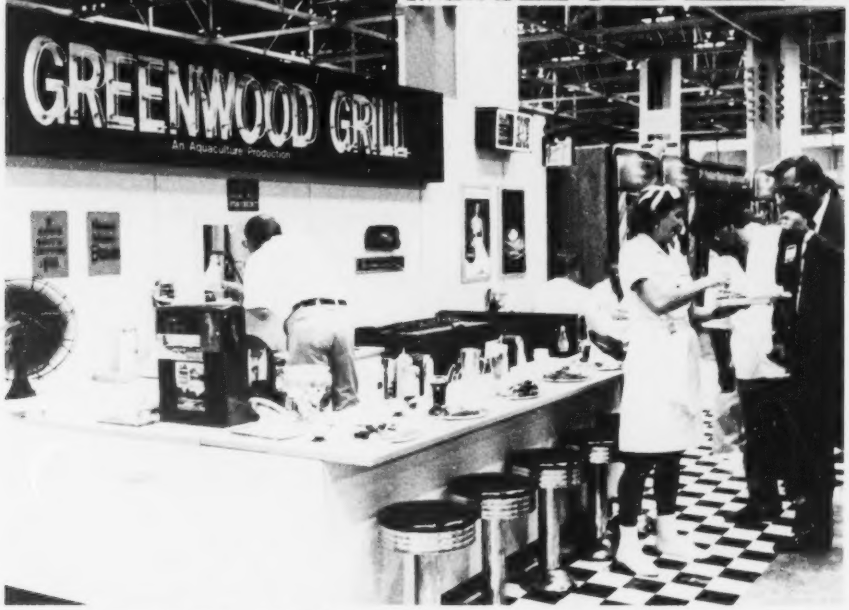
☐ Puree of ripe yellow tomatoes

☐ 15-second omelettes

☐ Frozen pasta from an Italian restaurant in Modena.

Mobile kitchens might find a niche in the fast-growing field of catering—especially when they're dressed up with awnings.

CARLIN
CARLIN



Nostalgia everywhere—not only in products, such as potato pancakes and blintzes, but also in the diner-era decor of booths. Here "The Greenwood Grill" is recreated down to the pin-up girl postcards on the cash register. The booth sold catfish.

Double takes

☐ 3-D inflated, illuminated signs.

☐ Silent paging system to let servers know their orders are ready.

☐ "Splashies"—liquid-filled placements for children in interactive designs.

☐ Tamper-proof coffee maker that can switch back and forth between caffeinated and decaffeinated brewing system.

☐ A can opener that doubles as a handle.

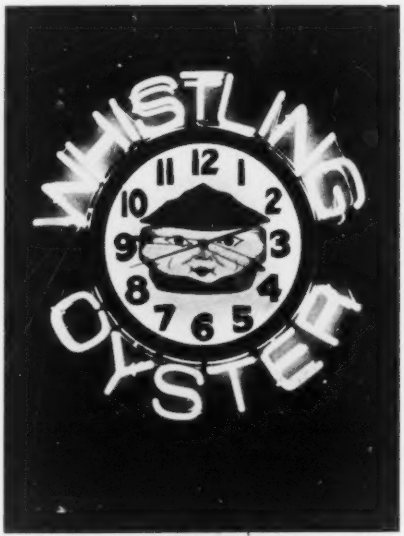
☐ An automatic handwashing machine.

☐ Fast-acting copper and silver polish new to the U.S. market (from Denmark).

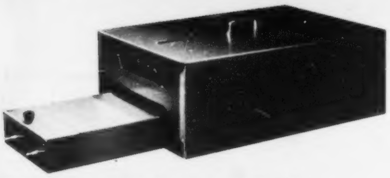
☐ Breakfast tacos

☐ Sculptchair—a stretch fabric for dressing up folding or stacking chairs

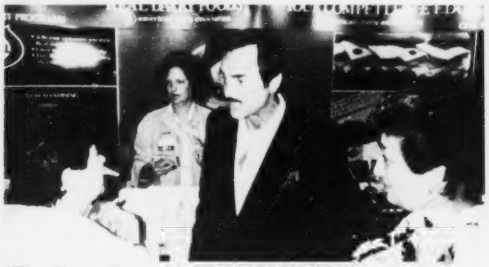
☐ Citronella torches with bug repelling scent.



Even the cover idea for this month's *Restaurants USA* came from the Show floor—at a booth of customized neon clocks.



Quality control extraordinaire—a countertop smoker for salmon or other fish.



The American Dairy Association's booth featured Hollywood and game show celebrity look-alikes to emphasize the importance of distinquishing between "the real thing" and imitations—whether in people or dairy foods. Celebrity 'imitator' Burt Reynolds (Fred Leaf) asked Show attendees to recite a pledge to use real dairy foods. .

Promotion power

☐ **A rollpin plastic pizza cutter—** inexpensive enough to send one home with every customer, with one's logo and phone number, of course.

☐ **Color-changing plastic straws, cups, etc.** that change color when exposed to heat or cold. A real show stopper—everyone wanted samples for his or her five children.

☐ **Restaurant celebration kit,** introducing Polaroid's new system for photo mementos—buttons and special-event pictures.

☐ **New packaging—**from "critter cartons"—meal cartons that can be converted into animals—to cartons for single pizza slices, tacos or burritos. For those favoring traditional styrofoam, there were new varieties with embossing.

☐ Colorful jackets, umbrellas, bags and caps made of "ty-vek," the same material used to make Federal Express envelopes.

☐ "Honey, I love you" promotion ideas from the Honey Board, which also featured plastic tubes filled with 1 teaspoon of clover honey—a tidier way to stir in some sweetness.

Honey™
I love you

HATS OFF TO STUDENTS

Students—the future of the foodservice industry—received a special tribute at this year's Show. The Educational Foundation of the National Restaurant Association planned "Salute to Excellence" activities for 141 student honor delegates selected on the basis of academic performance, career interest and industry work experience and achievements.

This tribute featured a student forum—a fast-moving program of personal messages to students from eight foodservice industry leaders. "The student forum is a vital part of our continuing effort to attract highly motivated, qualified young people to careers in foodservice," says Michael Hurst, president of 15th Street Fisheries in Fort Lauderdale, Florida, who chaired the event.

In all cases the industry leaders spoke of caring about people and about excellence of performance. "Each walk of life has its aristocracy," quoted Patrick O'Malley, one of the speakers, "and it's up to you to be a member of this group." O'Malley received this year's Ambassador of Hospitality Award.

Other student activities included a student idea exchange and banquet.

"Love people. Take care of them," urged Gordon D. Bell, chairman of Lincoln Foodservice Products in Fort Wayne, Indiana.

According to Carlyn Berghoff, president of Carlyn Berghoff Catering in Chicago, teamwork is the key to success. "Relinquish authority," she warned. "You'll die if you don't."

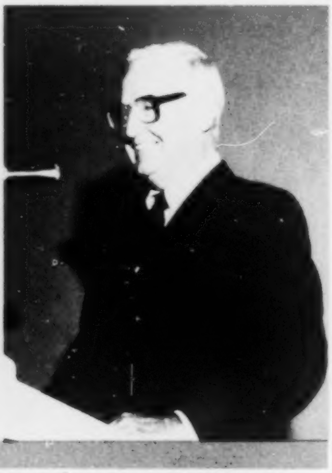
"If you can find a mentor, you've struck it big," said Richard Melman, president of Lettuce Entertain You Enterprises in Chicago.

"An organization has to reward service," said Jim Peterson, president of the National Restaurant Association and Whataburger in Corpus Christi, Texas.

"Don't be afraid to take a risk," urged Daniel Gescheidle, executive committee chairman of ComSource Independent Foodservice Companies, Inc., in Chicago. "When you're not learning, when things aren't happening, move on."

"You need to paint a picture of what you want to get out of your career," Michael Grisanti, president of Grisanti, Inc., in Louisville, Kentucky, told the students. "The more you paint a picture of what you want, the more it will come back to roost," he said.

"Understand the basics," urged Walter Conti, chairman of Conti Cross Keys Inn in Doylestown, Pennsylvania. "It takes a hell of a lot of smarts to be the best dishwasher in Doylestown."



"We spend too much time thinking about technology and not enough time thinking about people," said Patrick O'Malley, chairman emeritus of Canteen Company in Chicago.

Peterson names new committee heads

As Chairman of the Board and President of the National Restaurant Association, Jim L. Peterson appointed new heads of committees and task forces to direct the activities of the National Restaurant Association. As the association's executive officer, Peterson himself heads the Executive Committee. The new chairmanships are as follows:

☐ **Audit:** Guss Dussin (OSF International, Inc., Portland, OR)

☐ **Bylaws:** Robert S. Wood (Bob Evans Farms, Inc., Columbus, OH)

☐ **Communications:** Paul W. Lazar (Wharf Tavern, Inc., Warren, RI)

☐ **Convention:** John C. Metz (Morrison's Custom Management, Kingston, PA)

☐ **Finance:** Michael E. Hurst (15th Street Fisheries, Ft. Lauderdale, FL)

☐ **Government Affairs:** Robert M. Rosenberg (Dunkin' Donuts, Inc., Randolph, MA)

☐ **Industry Image/Human Resources:** Jackie B. Trujillo (Harman Management Corp., Los Altos, CA)

☐ **Investment:** James H. Maynard (Golden Corral Corp., Raleigh, NC)

☐ **Membership:** W.W. "Biff" Naylor (Naylor Bros. Restaurants, Los Angeles, CA)

☐ **Nominating:** Stephen E. Elmont (Creative Gourmets, Ltd., Boston, MA)

☐ **Pension and Employee Benefits:** John F. Cauley (Friendly Ice Cream Corp., Wilbraham, MA)

☐ **Political Action:** Ralph O. Brennan (Mr. B's, Inc., New Orleans, LA)

☐ **Political Education:** John R. Farquharson (ARA Services, Inc., Philadelphia, PA)

☐ **Research:** Bernard H. Schreiner (Schreiner's Restaurant, Inc., Fond du Lac, WI)

☐ **State Relations:** Richard E. Marriott (Marriott Corp., Washington, DC)

☐ **Strategic Plan:** Harris "Bud" Rusitzky (Serv-Rite Food Service and Consulting, Pittsford, NY)

☐ **Technical Services:** Joseph C. Gentile (Seafood Shanty Restaurants, Bensalem, PA)

☐ **Task Force on Alcohol Awareness:** William H. Latham (Olde English Pubs Ltd., Jackson, MI)

☐ **Task Force on Monterey Wine Festival:** Richard E. Cregar (Cregar Enterprises, Orchard Lake, MI)

☐ **Task Force on Public Affairs Conference:** Robert S. Wood (Bob Evans Farms, Inc., Columbus, OH); **effective October 1:** Joseph K. Fassler (Greyhound Food Management, Inc., Phoenix, AZ)

☐ **Task Force on Public Health:** Robert A. Kozlowski (Canteen Co., Chicago, IL)

From left: New Vice President Harris "Bud" Rusitzky, outgoing President Michael Grisanti and new President Jim Peterson confer during the Board meeting held in conjunction with the Show.

Association membership elects new officers, directors

At the annual membership meeting held during the 69th National Restaurant Association Show in Chicago, the association membership elected new officers. Seven foodservice industry leaders were also elected to serve three-year terms on the board of directors. The new directors, are:

☐ James W. Britt (Blazers Restaurant, Greenwood, SC)

☐ Herman Cain (Godfather's Pizza, Inc., Omaha, NE)

☐ Bruce Cotton (Jerrico, Inc., Lexington, KY)

☐ Bill Leichsenring, Jr. (Ox Yoke Inn, Inc., Amana, IA)

☐ Tony May (Tony May Group, New York, NY)

☐ Gerard Pain (La Chaumiere, Washington, DC)

☐ William P. Zoidis (Pilot's Grill, Inc., Bangor, ME)

Incoming president Jim Peterson (left) and board member John Farquharson exchange quips at the Grand Banquet held in honor of the new president at the National Restaurant Association Show in Chicago. It was a festive evening of great food, great company and great entertainment featuring Larry Gatlin and the Gatlin Brothers.

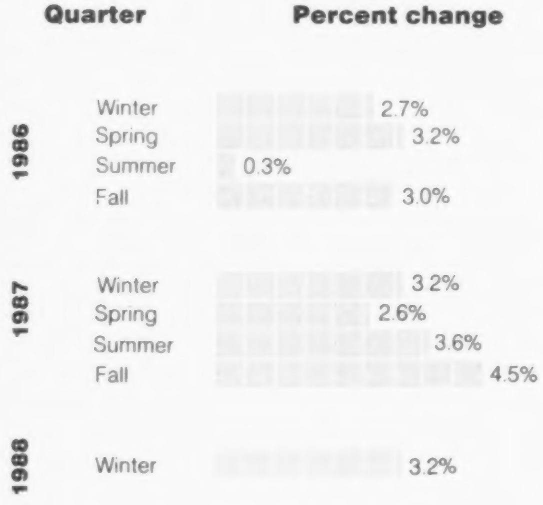
December-January-February

CREST* REPORT

Percent change in quarterly traffic

Winter 1986—Winter 1988

Customer traffic rose 3.2 percent during the winter quarter



Note: *Percent change is over same period of the prior year.*

Source: NPD Crest, *Household Report*, Winter 1986-Winter 1988

1988 winter quarter highlights

Gains in off-premises traffic led a quarter of healthy growth

Percent change* in . . .

	Total Traffic	On-premises traffic	Off-premises traffic	Sales	Average check size
Total restaurants	3.2%	−0.5%	8.3%	7.2%	3.9%
Quickservice	4.2	−0.3	7.4	10.5	6.2
Midscale	0.5	−2.1	17.6	3.2	2.6
Upscale	3.8	3.6	7.1	5.5	1.6
• Moderate check	3.3	3.0	6.2	5.2	1.9
• Higher-check	5.3	4.6	24.4	5.9	0.6
Breakfast	−1.9	−5.8	7.3	5.3	7.1
Lunch	4.6	1.3	10.4	10.0	4.9
Dinner	4.0	−1.1	10.2	5.9	1.9

**Percent change is over same period of the prior year*

Source: NPD CREST, *Household Report*, Winter 1988

The winter quarter shaped up to be a relatively healthy one for the restaurant industry, with sales up 7.2 percent and traffic counts up 3.2 percent compared with the winter quarter of 1987. This solid showing followed a strong fall quarter in which traffic rose 4.5 percent. And for the first quarter since winter 1987, all restaurant segments registered positive traffic growth.

The growth in total traffic was mostly attributable to a rise in off-premises dining at quickservice restaurants. Off-premises customer counts rose in all segments in the fall quarter, jumping 8.3 percent. Upscale establishments, however, were the only ones to record a gain in on-premises traffic.

As in the fall quarter, breakfast was the weakest meal period, with customer counts dipping 1.9 percent. Traffic at dinner advanced 4.0 percent, and customer counts at lunch continued upward as well.

Winter quarter highlights

☐ **Customer traffic** advanced 4.2 percent at quickservice restaurants during the winter quarter, a lower rate than the 7.3 percent recorded during the fall. In comparison, both midscale and upscale eateries improved their performance since the fall quarter, with customer counts rising 0.5 and 3.8 percent, respectively, compared with winter 1987.

The upscale segment was the only restaurant group to record increased on-premises business in the winter quarter, as on-premises traffic rose 3.6 percent at these establishments, compared with declines of 0.3 and 2.1 percent, respectively, at quickservice and midscale operations. Off-premises traffic showed gains across all segments, led by a 17.6 percent jump at midscale eateries. Off-premises dining increased 7.4 percent at quickservice establishments and 7.1 percent at upscale operations.

Customer traffic increased at lunch and dinner but declined at breakfast. The increased traffic at dinner was the result of a 10.2 percent jump in off-premises dining. On-premises counts at dinner declined. Traffic increased 4.6 percent at lunch, with gains in both on and off-premises visits. A 7.3 percent rise in off-premises breakfast traffic was offset by a 5.8 percent decline in on-premises customer counts.

☐ **Sales** at restaurants were propelled by a 10.5 percent increase at quickservice establishments. Midscale restaurants showed a modest sales gain of 3.2 percent, and upscale establishments recorded a

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**CREST stands for Consumer Reports on Eating Share Trends, a diary survey conducted by one of the NPD marketing and research companies.*

strong 5.5 percent increase.

Sales at lunch continued to rise in the winter quarter, advancing 10.0 percent. Breakfast sales were up as well, increasing 5.3 percent. They picked up in the fall quarter after having been flat during the summer months. The dinner meal period also recorded higher sales this winter than a year ago.

☐ The **average check size** for all restaurants rose to $3.71 in the winter quarter, a 3.9 percent increase over winter 1987. Quickservice restaurants saw the largest gain in average check size: 6.2 percent to $2.73. The average check size was also up at midscale and upscale establishments. to $4.33 and $9.36, representing gains of 2.6 and 1.6 percent, respectively.

The average check size rose 7.1 percent at breakfast to $2.40, the largest gain recorded by a meal period. At lunch, the average check size increased by 4.9 percent to $3.42. The average check size at dinner rose slightly to $4.74.

☐ **Promotions** were used on 18.4 percent of all restaurant occasions this past winter, a slight dip from the 18.8 percent rate recorded during the winter quarter of 1987. Deal usage during the current winter quarter was highest at quickservice operations, reaching 20.7 percent. The deal rate was slightly higher at midscale restaurants (14.2 percent) than at upscale establishments (13.6 percent).

During the winter quarter, promotions were used most frequently at dinner, where they accounted for 23.5 percent of all restaurant occasions. Patrons used promotions on 14.9 percent of breakfast occasions and 17.0 percent of lunch occasions.

Cafeterias: poised for growth

Cafeterias have found willing diners among senior Americans and are adept at meeting consumer demand for healthy, inexpensive and varied fare—particularly for lunch. Several years of steady growth are an indication of the solid status of cafeterias. With the increased numbers of seniors in the U.S. population in coming years, cafeterias are poised for even more growth.

Commercial cafeterias have experienced slow but steady advances in sales since 1982. From 1982 to 1987, sales have moved upward by 36 percent to $3.7 billion, with much of this increase offset by inflation. Real sales growth at cafeterias has been in the 2 to 3 percent range since 1982.

Cafeterias are expected to maintain this moderate pace of growth in 1988.

Cafeterias popular among seniors

Cafeterias have the widest appeal among consumers 65 years old and older. This segment of the population accounted for more than one out of every four visits to cafeterias in 1987. According to CREST figures, cafeterias have gained in popularity with these diners; in 1982, only 21 percent of all cafeteria diners were 65 years old or older.

Cafeterias also have a substantial following among 50 to 64-year-olds. In 1987, 24 percent of customers at cafeterias were between 50 and 64 years of age, compared with 16 percent for all restaurants. What is bringing in these older patrons? Nutritious and healthful food, good value and extensive menus all contribute to the popularity of cafeterias among seniors. In addition, cafeterias allow for more leisurely dining, which often appeals to older customers.

Other groups who frequent cafeterias

More women than men tend to visit cafeterias. In 1987, 57 percent of all cafeteria diners were women. Cafeterias also appeal to lower-income households. In 1987, 39 percent of all cafeteria patrons had household incomes under $20,000. However, cafeterias attract some interest from upper income households as well. In 1987, one out of every four cafeteria visitors had income in excess of $40,000.

Smaller households were most likely to frequent cafeterias. This is not surprising, given the high percentage of cafeteria visitors among seniors whose children are grown and have moved away. Seventy percent of cafeteria diners in 1987 came from single or two-person households, well above the industry average of 57 percent. Roughly nine out of every 10 parties at cafeterias consisted of adults only.

The frequent cafeteria goer also tends not to be

Breakdown of cafeteria eater occasions by region, 1987

Cafeterias are popular in the South and the Midwest

Region	Percent of cafeteria eater occasions	Percent of all restaurant eater occasions
New England	4%	5%
Mid-Atlantic	10	15
East North Central	14	18
West North Central	12	7
South Atlantic	20	18
East South Central	6	6
West South Central	17	12
Mountain	5	5
Pacific	10	14

Source: NPD CREST, *Annual Household Report*, 1987

Annual sales at commercial cafeterias

Cafeterias have seen steady sales growth since 1982

	Sales (000)	**Percent change from prior year**
1982	$2,711,686	5.4%
1983	2,920,486	7.7
1984	3,165,807	8.4
1985	3,286,108	3.8
1986	3,470,130	5.6
1987	3,678,338	6.0
1988 (estimated)	3,913,752	6.4

Source: National Restaurant Association

Average per-person check

Cafeteria check size has risen more than the midscale and industry averages

	1982	**1987**	**Percent change 1982 to 1987**
Cafeterias	$2.77	$3.58	29%
All midscale restaurants	3.70	4.28	16
All restaurants	3.15	3.52	12

Source: NPD CREST, *Annual Household Report*, 1982, 1987

actively employed. In 1987, 35 percent of all cafeteria patrons were not working, a marked increase from the 21 percent recorded in 1982. This dramatic increase can be partially explained by the increased number of elderly patrons at cafeterias, many of whom are retired. Another factor could be the recent rise in unemployment in oil-producing regions of the United States—areas in which cafeterias enjoy higher popularity.

A variety of food items

Cafeteria menus center on traditional homestyle foods that cover all the main food groups. Hot vegetables and side dish salads were the most popular menu items at cafeterias in 1987. Coffee was the principal selling beverage, with soft drinks not far behind. Sandwiches were a favorite meal item, ordered on nearly one in five occasions. Chicken, beef and seafood shared relatively high levels of popularity among cafeteria customers, as did old-fashioned mashed potatoes. For dessert, customers favored pies.

Despite its growing popularity in the industry overall, ethnic food consumption at cafeterias has not changed since 1982. However, because seniors have greatly expanded their interest in ethnic food, cafeterias are likely to increase their ethnic offerings in years ahead.

More takeout in future?

Despite rapid growth in off-premises dining, cafeteria operators have not concentrated efforts on penetrating this market. The percentage of customers taking their cafeteria purchases off-premises for consumption has remained unchanged since 1982: 13 percent.

However, it is likely that cafeteria operators will increase their focus on meeting the demand for takeout meals. Some chains have recently remodeled their units to reduce long lines and quicken service. This may help lure takeout customers.

Percent of cafeteria eater occasions by age group, 1987

Cafeterias are especially popular with older diners

Age Group	**Cafeterias**	**All restaurants**
Under 6 years	3%	8%
6 to 12 years	4	10
13 to 17 years	3	6
18 to 24 years	5	8
25 to 34 years	14	19
35 to 49 years	19	21
50 to 64 years	24	16
65+	27	11

Source: NPD CREST, *Annual Household Report*, 1987

Most business is at lunch

Cafeterias do a major portion of their business during lunch. In 1987 nearly 60 percent of cafeteria traffic was for lunch, compared with 36 percent for the entire restaurant industry. About one-third of all cafeteria customers came for dinner. Snack and breakfast use was minimal.

Weekdays were the favorite time for cafeteria visits. Almost three out of every four visits in 1987 occurred during the week versus 66 percent for all restaurants.

Promotional use below industry average

Use of promotions at cafeterias is less than the industry average. In 1987, 12 percent of visits to cafeterias involved the use of promotions, a lower figure than the 19 percent reported for the entire industry.

Average check size—below average

An examination of check size averages shows why cafeterias have gained a reputation for price and

Please return hourly wage survey

The National Restaurant Association's 1988 Survey of Wage Rates for Hourly Employees has been mailed to association members. If you received a questionnaire, please fill it out and send it to the association's research department as soon as possible.

Results of this survey are used to compile data on hourly employees' wages for 15 different foodservice positions on a national, regional and statewide basis.

value. In 1987, the average check per person at cafeterias was $3.58, 16 percent below the midscale average of $4.28. Cafeterias have, however, experienced a steep increase in check size. From 1982 to 1987, average check size per person at cafeterias rose 29 percent, whereas check sizes for all midscale restaurants and for total restaurants moved upward 16 percent and 12 percent, respectively. The increase in cafeteria check size is partly attributable to a 4 percent rise from 1982 to 1987 in the average number of items ordered. The total restaurant market, on the other hand, has actually seen a decline in average number of items ordered during this period.

Cafeterias: a regional phenomenon

Cafeterias are most favored in the Southern and Midwestern areas of the country. The West South Central and West North Central regions gained a disproportionately large share of eater occasions at cafeterias in 1987. Cafeterias, are also popular in the South Atlantic region, where 20 percent of all cafeteria eater occasions occurred.

Some of the slow growth recorded by cafeterias is due to the location of many of these restaurants in the Rust and Energy Belts, areas of the nation that have been hit hard economically over the last few years. However, with a recent resurgence of U.S. manufacturing exports and an expected steadying of oil prices, these regions should experience increased economic growth. This should benefit cafeteria operators and help sustain sales increases.

—Sebastian O'Kelley

The foodservice industry 1986: A brief review

For the 19th consecutive year, the National Restaurant Association has prepared information on the size and scope of the foodservice industry, including sales and purchases for major markets, number of establishments and alcoholic beverage sales. The figures and analyses reported here provide a summary of the industry's performance during 1986. To obtain more information on foodservice in 1986, see the accompanying box which tells how to order a free copy of the complete report.*

In a year of moderate economic growth, **foodservice industry sales** reached $187.1 billion in 1986, up 7.0 percent from the year before. Real sales, adjusted for inflation, gained 3.0 percent, just barely exceeding gross national product (GNP) real growth of 2.9 percent. Sales growth was larger in 1986 than in 1985, when a lower 2.2 percent gain in real sales occurred. Overall, 1986 was the sixth consecutive year of real growth for the industry.

The proportion of the food dollar spent away from home continued to climb, reaching a record 41.1 percent in 1986, up from 40.8 percent the previous year. Rapid growth in the takeout market continued to push the increase in spending on food away from home. In 1986, the proportion of disposable personal income spent on food away from home rose slightly to 5.53 percent, up from 5.51 percent in 1985.

Menu prices, as measured by the Consumer Price Index (CPI) for food away from home, gained 4.0 percent in 1986, almost equal to the 3.9 percent advance recorded in 1985.

Customer traffic at restaurants advanced 2.1 percent in 1986, after increasing 1.0 percent in 1985. In 1986, the spring and fall quarters showed the strongest annual traffic growth, 3.2 and 3.0 percent, respectively. Traffic during the winter quarter rose 2.7 percent, and customer counts for the summer months moved upward 0.3 percent.

In the **Commercial Foodservice Group,** food and drink sales peaked at $164.5 billion—up 7.6 percent over 1985. The Commercial Group was responsible for 98.1 percent of total real growth in foodservice sales and accounted for 87.9 percent of all industry sales. Real growth for this segment was 3.3 percent, up from 2.6 percent in 1985.

Eating place sales, totaling $120.1 billion in 1986, increased 7.6 percent over 1985 and accounted for 64.2 percent of total foodservice sales, up from 63.8 percent in 1985. After adjusting for inflation, sales for this group advanced 3.4 percent, somewhat higher than 1985's 2.7 percent increase but lower than 1984's 5.4 percent gain.

Percent change in foodservice industry sales, 1985-1986

Limited menu restaurants in 1986 exhibited strong growth

	Current dollars	Real dollars*
Foodservice industry	7.0%	3.0%
Commercial foodservice	7.6	3.3
Eating places	7.6	3.4
• restaurant, lunchrooms	6.6	2.2
• limited-menu restaurants	9.1	5.1
Institutional foodservice	3.0	0.4
Military foodservice	5.5	1.5

**Adjusted for inflation*

Source: National Restaurant Association; Malcolm M. Knapp, Inc.

***The statistical information and analyses for the National Restaurant Association's study on the size and scope of the foodservice industry in 1986 were prepared in consultation with the research firm of Malcolm M. Knapp, Inc.**

Estimated food and drink sales and purchases, 1986

# of units	Type of establishment	Estimated food and drink sales (000) 1985	Estimated food and drink sales (000) 1986	Percent gain (loss)	Estimated food and drink purchases (000) 1986
	Group I: Commercial Foodservice[1]				
	Eating places				
126,514[2]	Restaurants, lunchrooms	$ 58,444,122	$ 62,301,434	6.6%	$ 21,355,810
126,125	Limited-menu restaurants	47,190,521	51,484,858	9.1	16,594,599
6,137	Commercial cafeterias	3,286,108	3,470,130	5.6	1,217,304
3,604	Social caterers	1,301,600	1,390,109	6.8	489,805
8,318	Ice cream, frozen custard stands	1,375,857	1,477,670	7.4	419,658
270,698	**Total—Eating places**	**$111,598,208**	**$120,124,201**	**7.6%**	**$40,077,176**
32,308[3]	Bars and taverns	$ 8,428,281	$ 8,976,119	6.5%	$ 418,512[4]
303,006	**Total—Eating and drinking places**	**$120,026,489**	**$129,100,320**[5]	**7.6%**	**$40,495,688**
	Food contractors				
	Manufacturing and industrial plants	$ 2,721,072	$ 2,824,473	3.8%	$ 1,198,904
	Commercial and office buildings	894,308	981,056	9.7	417,439
	Hospitals and nursing homes	1,184,410	1,262,581	6.6	465,751
	Colleges and universities	1,738,127	1,882,392	8.3	583,710
	Primary and secondary schools	886,382	935,133	5.5	335,341
	In-transit foodservice (airlines)	716,139	798,431	11.5	383,199[6]
	Recreation and sports centers	1,319,773	1,410,732	6.9	452,845
9,026[7]	**Total—Food contractors**	**$ 9,460,211**	**$ 10,094,798**	**6.7%**	**$ 3,837,189**
	Lodging places				
15,704	Hotel restaurants	$ 8,748,054	$ 9,404,158	7.5%	$ 2,895,720
1,777	Motor hotel restaurants	741,443	754,327	1.7	234,001
8,904	Motel restaurants	1,209,023	1,224,740	1.3	390,065
26,385	**Total—Lodging places**	**$ 10,698,520**	**$ 11,383,225**	**6.4%**	**$ 3,519,786**
	Retail hosts				
10,468	Drug and proprietary store restaurants	$ 437,947	$ 449,334	2.6%	$ 157,716
1,562	General merchandise store restaurants	65,334	68,339	4.6	23,714
4,932	Department store restaurants	1,051,905	1,091,877	3.8	383,249
3,651	Variety store restaurants	232,704	224,792	(3.4)	78,902
4,155	Food stores (except grocery)	186,087	194,461	4.5	60,283
41,867	Grocery store restaurants	2,465,722	2,988,455	21.2	962,282
30,490	Gasoline service stations	1,290,875	1,527,105	18.3	491,728
8,525	Misc. retail (liquor, cigar, etc.[8])	465,062	507,848	9.2	161,496
105,650	**Total—Retail hosts**	**$ 6,195,636**	**$ 7,052,211**	**13.8%**	**$ 2,319,370**
	Recreation and sports foodservice				
2,785	Drive-in movies	$ 227,974	$ 228,658	0.3%	$ 66,604
3,822	Bowling lanes	713,018	732,982	2.8	246,282
N/A	Recreation and sports centers	1,016,126	1,093,352	7.6	350,966
6,607	**Total—Recreation and sports foodservice**	**$ 1,957,118**	**$ 2,054,992**	**5.0%**	**$ 663,852**
	All other foodservice				
3,088	Vending and non-store retailers[9]	$ 3,898,901	$ 4,156,228	6.6%	$ 1,263,992
N/A	Mobile caterers	627,266	668,038	6.5	206,424
3,088	**Total—All other foodservice**	**$ 4,526,167**	**$ 4,824,266**	**6.6%**	**$ 1,470,416**
453,762	**Total—Group I**	**$152,864,141**	**$164,509,812**	**7.6%**	**$52,306,301**

Footnotes

1. Data are given only for establishments with payroll.

2. Figures are latest census-area reports or merchandise-line detail counts or updates when reliable data become available.

3. Unit count includes only those establishments serving food; however, sales figure is for all bars and taverns with payroll.

4. Food only. Cost of alcoholic beverages totaled $2,827,477,000.

5. Food and drink sales for nonpayroll establishments totaled $3,626,298,000, with eating places accounting for $2,594,068,000 and drinking places $1,032,230,000.

6. Food purchases only.

7. Individual businesses, not locations. Contract feeders are included in eating place totals in all Bureau of Census publications although their sales volume figures are significantly understated.

8. Includes SIC 59 except 591 and 596.

9. Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.

10. School lunch commodities furnished in the calendar year 1986 under Secs. 6, 32 and 416 were worth $852,454,162. In addition, 161,948,906 half-pints of milk worth $15,458,011 were supplied.

11. Total number of colleges and universities which have foodservice whether contracted or not.

12. Represents sales or commercial equivalent to employees.

13. Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in the grouping make no charge for food served.

14. All 50 states plus the District of Columbia.

** These institutions make no charge for food served.

Estimated food and drink sales and purchases, 1986

# of units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)
		1985	1986		1986
	Group II: Institutional Foodservice—Business, educational, government or institutional organizations that operate their own foodservice				
	Employee foodservice				
3,573	Industrial and commercial organizations	$ 1,682,004	$ 1,693,778	0.7%	$ 728,073
391	Seagoing ships (1,000+ tons)	40,857	37,710	(7.7)	22,626
4,248	Inland waterway vessels	247,869	244,399	(1.4)	146,639
8,212	**Total—Employee foodservice**	**$ 1,970,730**	**$ 1,975,887**	**0.3%**	**$ 897,338**
	Educational foodservice				
91,776	Public and parochial elementary and secondary schools (90,180 national school lunch program[10])	$ 2,918,628	$ 3,060,127	4.8%	$ 3,040,276
1,041	Public colleges and universities[11]	2,096,353	2,173,080	3.7	851,608
1,667	Private colleges and universities[11]	963,226	1,020,056	5.9	450,487
94,484	**Total—Educational foodservice**	**$ 5,978,207**	**$ 6,253,263**	**4.6%**	**$ 4,342,371**
	Transportation foodservice				
58	Passenger/cargo liners	$ 189,528	$ 217,578	14.8%	$ 119,668
98	Airlines	657,856	700,617	6.5	349,266
2	Railroads	46,044	49,405	7.3	22,847
158	**Total—Transportation foodservice**	**$ 893,428**	**$ 967,600**	**8.3%**	**$ 491,781**
	Hospital foodservice				
4,157	Voluntary and proprietary hospitals	$ 5,124,485	$ 5,192,895	1.3%	$ 2,077,158
1,521	State and local short-term hospitals[12]	746,008	749,005	0.4	493,632
771	Long-term, general, TB and psychiatric hospitals	839,248	832,130	(0.8)	332,852
342	Federal hospitals[12]	394,652	396,155	0.4	304,342
6,791	**Total—Hospital foodservice**	**$ 7,104,393**	**$ 7,170,185**	**0.9%**	**$ 3,207,984**
29,169	Nursing homes, homes for the aged, blind, orphans, mentally and physically handicapped[13]	$ 3,001,608	$ 3,097,659	3.2%	$ 1,903,078
	Miscellaneous foodservice				
10,310	Clubs	$ 1,536,913	$ 1,619,906	5.4%	$ 636,727
2,806	Sporting and recreation camps	122,830	126,515	3.0	75,909
15,210	Community centers	417,231	450,192	7.9	531,218
N/A	Convents and seminaries	***	***	***	90,040
28,326	**Total—Miscellaneous foodservice**	**$ 2,076,974**	**$ 2,196,613**	**5.8%**	**$ 1,333,894**
	Penal institutions				
791	Federal and state prisons	***	***	***	$ 470,762
3,338	Jails	***	***	***	363,184
4,129	**Total—Penal institutions**	*****	*****	*****	**$ 833,946**
171,269	**Total—Group II**	**$ 21,025,340**	**$ 21,661,207**	**3.0%**	**$13,010,392**
625,031	**Total—Groups I and II**	**$173,889,481**	**$186,171,019**	**7.1%**	**$65,316,693**
	Food furnished to foodservice employees in Groups I and II	***	***	***	$ 4,294,800
625,031	**Total—Groups I, II and FSE**	**$173,889,481**	**$186,171,019**	**7.1%**	**$69,611,493**
	Group III: Military Foodservice				
N/A	Defense personnel	***	***	***	$ 1,992,296
700	Officers' and NCO clubs ("open mess")[14]	$ 579,563	$ 610,280	5.3%	205,394
556	Military exchange foodservice	297,694	314,960	5.8	117,512
1,256	**Total—Group III**	**$ 877,257**	**$ 925,240**	**5.5%**	**$ 2,315,202**
626,287	**GRAND TOTAL**	**$174,766,738**	**$187,096,259**	**7.0%**	**$71,926,695**

Source: National Restaurant Association, Malcolm M. Knapp, Inc.

Sales at **limited menu restaurants** grew 9.1 percent in 1986 as total sales exceeded $51.4 billion. Limited menu restaurants continued to increase their share of total foodservice sales; their share rose to 27.5 percent in 1986—up from 14 percent in 1970.

Restaurant and lunchroom sales gained 6.6 percent in 1986 and totaled $62.3 billion. Although slightly higher than the sales gain reported in 1985, the 1986 figure was well below the 9.1 percent sales increase that occurred in 1984. While personal income was up 4.0 percent in 1986, a strong rise in spending on consumer durable goods reduced dollars available for other personal consumption. Real sales at restaurants and lunchrooms rose 2.2 percent in 1986.

To order the report

The National Restaurant Association's detailed report, *The Foodservice Industry: 1986 in Review,* contains extensive data on the foodservice industry in 1986, including an analysis of all sectors of the eating place market as well as lodging places, educational foodservice, employee foodservice, health care foodservice, recreation foodservice and military foodservice.

Members may receive up to five free copies of the report by calling the Information Service and Library at 1-800-424-5156 or by writing to the Research Department, National Restaurant Association, 1200 Seventeenth Street, N.W., Washington, DC 20036. Additional copies are $5 each. The report is $10 for nonmembers. Credit card orders may be placed by calling the Information Service. All other orders must be accompanied by a check or money order. For historical industry data, see the National Restaurant Association's *Foodservice Numbers: A Statistical Digest for the Foodservice Industry* (catalog number CS025). This publication includes sales, purchases and number of units for more than 50 sectors of foodservice from 1970 through 1984.

Grocery stores, which includes some convenience stores, maintained the top position as the industry's growth leader, with a 21.2 percent boost in food and drink sales in 1986. Since 1981, annual foodservice sales increases at grocery stores have been well above 20 percent. The continued growth of convenience stores within gas stations helped hike these establishments' food and drink sales by 18.3 percent. Other segments that had strong sales performances in 1986 included foodservice operations at airlines, commercial and office building locations, passenger/cargo liners and community centers

Sales for the **Institutional Foodservice Group** climbed 3.0 percent in 1986 to $22.0 billion, as real growth inched upward from 0.1 percent in 1985 to 0.4 percent. Foodservice operations at transportation facilities were the group leaders, registering a nominal sales advance of 8.3 percent and a real sales advance of 7.1 percent. Sales at hospitals and on seagoing ships continued to decline.

Food and drink sales for the **Military Foodservice Group** continued to advance, topping $925 million, a gain of 5.5 percent over the 1985 level. The increase was in part due to the continued rise in the number of military officers and U.S.-based troops on active duty.

Senior patrons: a profile

As their numbers increase, consumers above the age of 65, often touted as "the gray market," will become an increasingly important segment to restaurateurs over the next few years. In recent years, these consumers have increased their visits to restaurants at a faster-than-average pace.

Household discretionary income by age, 1984

Senior households are less likely to have discretionary income, but seniors that have it record the greatest per capita levels among all age groups

Age group	Proportion of households with discretionary income	Discretionary income per capita
All age groups	31.5%	$3,713
Under 25 years	21.0	2,833
25 to 29	26.1	2,867
30 to 34	34.8	2,799
35 to 39	30.2	2,964
40 to 44	35.5	3,056
45 to 49	36.1	3,384
50 to 54	37.7	4,017
55 to 59	40.7	4,889
60 to 64	33.5	4,923
65+	26.9	5,633

Source: *A Marketers Guide to Discretionary Income*, The Conference Board/U.S. Bureau of the Census, 1984

The Census Bureau estimates that the number of Americans 65 years old and older will increase by 17 percent between 1987 and 2000 and individuals 75 years and older will increase by 36 percent. In comparison, the under-65 population is projected to increase by only 9 percent in that same 13-year span. Even more dramatic will be the growth of this population during the first few decades. Americans 65 and older are forecast to number more than 50 million in 2020 and 65 million by 2030, more than one-fifth of the total population. The current "graying of America" is merely a foreshadowing of the dramatic demographic changes to come.

The bottom line

But what does this demographic change mean for the restaurant industry? Can foodservice operators expect increased or decreased business as a result of the aging U.S. population? The news is mixed.

According to CREST data, seniors are relatively light users of restaurants. Although they account for

13 percent of all households, 65 to 74-year-olds represent only 8 percent of all restaurant visits. Consumers 75 and older visit eating establishments even less, accounting for 3 percent of total restaurant traffic and 9 percent of all households. In addition, consumers 65 years old and older tend to spend less on food away from home than do younger individuals. The Bureau of Labor Statistics' *Consumer Expenditure Survey for 1986* found that while per-person weekly expenditures for restaurant food by 45 to 54-year-olds and 55 to 64-year-olds were $9.16 and $8.72, respectively, spending per capita by 65 to 74-year-olds was $8.24. Consumers 75 and older spent even less weekly on restaurant food: $5.85 per person in 1986.

Although seniors use restaurants less frequently than do younger individuals, the growth in their visits outpaced the average for all consumers between 1982 and 1986. During this period, total traffic at restaurants advanced 11 percent, and visits by those 65 and older increased 14 percent. This indicates that older patrons could become a driving force behind expansion in the industry as their numbers increase. The news is especially good for quickservice operators. In 1986 consumers 65 and older visited quickservice operations 30 percent more often than in 1982.

Income

According to the Bureau of the Census, households headed by individuals 65 and older recorded the lowest median incomes of any age group in 1986: $13,845 compared with $26,776 for 55 to 64-year-olds. This, however, is mostly due to the smaller size of senior households. In terms of income per household member, these individuals do not fare so poorly. The per capita annual income of $12,096 for 65 to 74-year-olds was even higher than that recorded by 35 to 44-year-olds. Nevertheless, a large share of seniors have low levels of income. Thirty-six percent of all households headed by persons 65 and older had incomes of less than $10,000 per year in 1986, double the percentage for 55 to 64-year-olds and more than triple the percentage for 45 to 54-year-olds. In fact, nearly 70 percent of seniors had household incomes below $20,000. In comparison, only 6 percent of these consumers had household incomes of $50,000 or more in 1986. The unequal distribution of income among individuals 65 and older makes these seniors difficult to stereotype.

The current "graying of America" is merely a foreshadowing of the dramatic demographic changes to come.

But income is not always the only source of financial support. Wealth in the form of property, stocks, bonds and other investments is also a contributor to one's economic situation. Census Bureau figures indicate that households headed by persons 65 and older had the second-highest level of median net worth in 1984—$60,266. More than 30 percent of those 65 and older had a household net worth in excess of $100,000; and on the opposite end of the scale, fewer senior households had a net worth below $25,000 than did households headed by either 35 to 44-year-olds or 45 to 54-year-olds.

Discretionary income highest for seniors

The solid financial shape of many seniors is best seen in their high level of discretionary income.* A 1984 joint study by the Census Bureau and The Conference Board found that among households with discretionary income, those headed by individuals 65 and older claimed the highest per-person level of excess funds of any age group and accounted for nearly one-fifth of the total discretionary income in the United States. The $5,633 per capita recorded by senior households was nearly double the $3,056 for households headed by 40 to 44-year-olds. But it is the minority of consumers 65 and older who have discretionary income. In fact, individuals 65 and older are less likely than younger consumers to have discretionary funds. Whereas 27 percent of households headed by persons 65 and older had discretionary income, 41 percent of households headed by 55 to 59-year-olds and 36 percent of households headed by 40 to 44-year-olds had such excess funds.

Family life

Living arrangements for mature Americans differ sharply. Seniors over 75 are much more likely to have experienced the death of a spouse than are younger seniors. Although 62 percent of 65 to 74-year-olds are married, the majority of individuals 75 and older (51 percent) are widowed, and less than 40 percent are married couples. In addition, a high proportion of seniors live in nonfamily households (a person living alone or with nonrelatives only). Only 18 percent of all households headed by 45 to 54-year-olds are nonfamily households, compared with 39 percent for 65 to 74-year-olds and 56 percent for persons 75 and older.

Family households headed by seniors are marked by their small size. More than 80 percent consist of only two members compared with 58 percent for households headed by 55 to 64-year-olds.

Lifestyle

Life expectancy for the average American has increased greatly. In 1985, the average individual reaching the age of 60 could expect to live to be 80 years old. The majority of the 65 and older population lead healthy, robust lives and are pursuing an increasing array of leisure-time activities. Intent on "enjoying the good life," seniors have been increasingly targeted by the travel industry, leisure products companies, sporting clubs and related service industries. Simply put, the lifestyles of today's older Americans are vastly different from those of the past.

Midscale restaurants favored

Midscale restaurants fare best with the 65-and-older consumer, according to CREST data. In 1986 individuals in this age group

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**The Census Bureau/Conference Board study defines discretionary income as the amount of money that would permit a family to maintain a standard of living comfortably higher than the average for similar families.*

Meal occasions by meal period and restaurant segment, 1986

Seniors visit restaurants on the weekdays and for lunch more often than do younger consumers

	Age groups				
	35-44	**45-54**	**55-64**	**65-74**	**75+**
Breakfast/AM snacks	14%	16%	16%	16%	12%
Lunch	37	36	37	43	47
Dinner	38	39	39	34	35
PM snacks	11	9	8	7	7
Weekday	57	56	57	63	63
Weekend	43	44	43	37	37
Quickservice	68	57	49	46	43
Midscale	23	32	40	44	49
Upscale	9	11	11	10	8

Source: National Restaurant Association CREST survey, 1987

visited midscale eateries on nearly half of their restaurant occasions. The appeal of midscale establishments to mature consumers most likely results from their image as price-value restaurants. In addition, restaurant meals may be more of a social occasion to mature customers than to younger consumers who often view eating away from home as a matter of convenience. The relatively low use of takeout by seniors lends credence to this idea. Whereas 45 percent of all restaurant visits by 35 to 44-year-olds were for takeout, only 20 percent of visits by consumers 65 and older were for off-premises consumption. However, this low utilization of takeout may mark an opportunity for operators. By appealing to older consumers who have difficulty getting about, delivery can be offered as an alternative to home-prepared meals.

Quickservice restaurants, although less popular with persons 65 years old and older than with younger consumers, still captured a large share of visits by seniors in 1986: 46 percent for 65 to 74-year-olds and 43 percent for those 75 and older. Quickservice chicken and fish places are especially popular with seniors.

In 1986, upscale establishments were visited by 65 to 74-year-olds on about 11 percent of all restaurant occasions, a proportion similar to that for 45 to 64-year-olds. Visit frequency dips, however, for consumers 75 and older who patronized upscale establishments on 8 percent of their total restaurant occasions. Within the upscale segment, varied-menu restaurants were particularly popular. Patrons 65 and older visited this type of establishment on nearly half of their total upscale occasions. Also popular with older consumers were upscale hotel restaurants. Consumers 75 and older patronized hotel restaurants on nearly one in five upscale visits and were also more likely than other consumers to visit upscale fish restaurants.

Lunch and weekday patrons

Older patrons offer restaurant operators an excellent opportunity to increase their traffic during off-peak hours. The high percentage of retirees in this consumer group means that meal periods are not determined by work schedules. According to CREST data, lunch and weekdays are the most popular times for older Americans to eat out at restaurants. In 1986, more than 40 percent of all visits by consumers 65 and older were for lunch, and nearly two-thirds were during the week, the highest percentages of any age group. Thirty-five to 44-year-olds, by contrast, visited restaurants for lunch on 37 percent of all meal occasions and on weekdays for 57 percent. In fact, patrons 65 and older were the only consumers to visit restaurants more for lunch than for dinner. For consumers 75 and older, lunch accounted for nearly half of all visits.

In fact, patrons 65 and older were the only consumers to visit restaurants more for lunch than for dinner.

Interest in ethnic fare

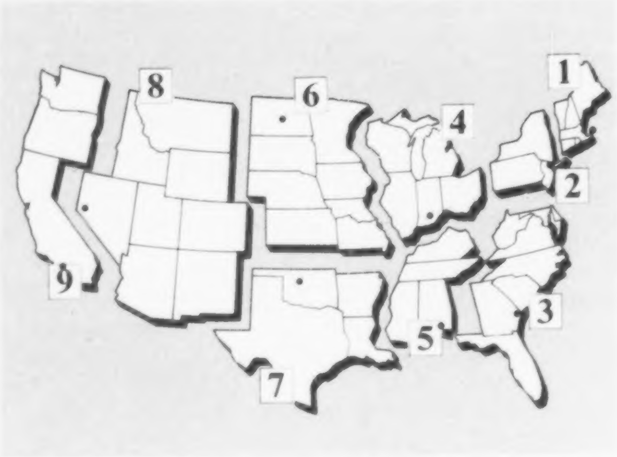
Although older restaurant patrons appear to have traditional tastes, the tremendous growth in their orders for ethnic fare shows an openness to new dining experiences. According to CREST data, orders by 65 to 74-year-olds for the following ethnic foods increased sharply between 1982 and 1986: pizza by 55 percent, Mexican food by 50 percent, Asian cuisine by 28 percent and pasta by 72 percent. During that same time, consumers 75 and older doubled their orders of pizza, pasta and Mexican food. Even when taking into account the large overall increase in food orders by these consumers, ethnic fare made considerable strides.

Nevertheless, beef, chicken and fish/seafood remain the entrees of choice among these older consumers, each ordered on more than one in 10 restaurant visits. Although it is increasing in popularity, ethnic fare is not ordered nearly as often as are traditional menu items. Pizza, for example, was requested by patrons 65 and older on only 3 percent of all visits in 1986.

In sum

In terms of market size, discretionary income, wealth and leisure time available, older Americans offer restaurant operators an excellent market for their services. And as consumers 65 and older make up a larger proportion of the U.S. population during the next few decades, this market will expand. By targeting these consumers, operators can successfully share in the rewards brought on by the "gray revolution." It will not be long before the relatively well-to-do and restaurant-wise baby boomers of today are the 65-and-older diners of tomorrow.

—Laurence Greenberg



1 NEW ENGLAND

Location: Provincetown, MA
Association member: Joy McNulty
Operation: The Lobster Pot
Profile: Seafood restaurant and bakery
In business: 22 years
Seats: 96
Meals served: Lunch, dinner

Joy McNulty, owner of The Lobster Pot on the tip of Cape Cod, says, "Business was up 7 percent in April, and that's pretty amazing because we had the worst weather we've had in years."

Built on piles on the sandy beach, with a panoramic view of the Provincetown Harbor, the Lobster Pot was once a fishing shack. Today, it is so popular people must wait in line to get in. Fresh seafood and (of course) lobster are the specialties, but the menu also includes a Shellfish Algarve and a Portuguese soup, which reflect the Portuguese fishing-village origins of Provincetown. The restaurant's clam chowder has won first place for the past three years in the Cape Cod Chowder Fest.

2 MID ATLANTIC

Location: New York, NY
Association members: Anthony Rubano, Steve Kraidman
Operation: The Beanstalk
Profile: Midscale, casual family restaurant
In business: 11 years
Seats: 225
Meals served: Lunch, dinner

"Business is fair," says co-owner **Anthony Rubano**. "People are just starting to get the stock-market crash out of their system." But Rubano and his partner Steve Kraidman hope the business will continue to live up to its name.

The Beanstalk, located on New York City's Rockefeller Plaza, has a light, airy California look with a view from its windows of the famous Plaza fountain. Open seven days a week, the restaurant's diverse menu includes fish, pasta and salads.

The Beanstalk uses many different promotions to bring in customers. One example was a rib-eating contest held last year for charity, with members of the New York Knicks as contestants.

3 SOUTH ATLANTIC

Location: Savannah, GA
Association member: Alexander DiMaio
Operation: The Great Savannah Exposition and the Crossings Restaurant
Profile: Fullservice, midscale restaurant
In business: 4 years
Seats: 230, plus 120 in courtyard
Meal served: Lunch

"Our business is not too bad, although all of Savannah has been rather slow," says **Alexander DiMaio**, director of food and beverage at the Great Savannah Expostion and the Crossings Restaurant. "The city is hoping the return of tourists this summer will bring it up again."

The restaurant, which includes dining areas in train cars, fits right into the atmosphere of the exposition center, which was once an old terminal. In addition to the train cars and a caboose, there is a main dining area and a courtyard where lunch is served in nice weather.

Tourists who come to visit the center's shops and museum are also the restaurant's main customers. After learning the history of old Savannah, they can lunch at the Crossings on such regional food as peanut soup or *Hopping John*, an old Southern dish made with ham hocks, cowpeas and rice. Or they can choose from an elaborate buffet with hot and cold dishes, available Mondays through Fridays.

4 EAST NORTH CENTRAL

Location: Corydon, IN
Association members: Jane Mathews, Jerry Bennett
Operation: The Lamplighter on Governor's Square
Profile: Family-style, casual restaurant
In business: 1 1/2 years
Seats: 168
Meals served: Lunch, dinner

Business is good at The Lamplighter, housed in a building which used to be an old church. But manager **Jerry Bennett** expects it to get even better when a Main Street restoration project is finished and begins to draw tourists from all over. Located in southern Indiana, 25 miles west of Louisville, Kentucky, The Lamplighter is just two blocks from the downtown area of Corydon—Indiana's first state capital.

The atmosphere may be churchlike—quiet and relaxing—but the restaurant serves a dessert that could be classified as sinful—an ice cream brownie consisting of whipped cream, a brownie, vanilla ice cream, hot fudge sauce, nuts and a cherry. The restaurant has an executive diner's card, good for one year, which permits diners to buy one meal and get one free. Three hundred and seventy-five people out of Corydon's population of 3,500 bought the $32.95 card, which was sold over the phone by a marketing firm.

5 EAST SOUTH CENTRAL

Location: Orange Beach, AL
Association members: Dale and Helen McMath
Operation: Perdido Pass Restaurant Incorporated
In business: 4 years
Seats: 250, plus 80 in lounge
Meals served: Lunch, dinner

"Fantastic!" is how Perdido Pass co-owner **Helen McMath** describes business at her resort-area restaurant, located on the Gulf of Mexico coast near the Florida line. "Last year we hit almost $1.9 million dollars in total business."

Vacationers and conventioneers from a nearby Hilton come to enjoy the fresh local seafood, which the restaurant prepares fried, blackened or broiled over mesquite. Or they can order the mesquite-grilled prime rib, filet or a strip sirloin. Other specialties are the crab bisque, always made with fresh crab, and a dessert called Better-Than-Sex-Cake.

Windows on three walls give diners a view of the Gulf just across the road or of the Cotton Bayou on the other side of the restaurant. Drinks are served on a porch overlooking a marina where fishing and pleasure boats dock.

The Perdido Pass is open all year but enjoys its biggest business from Memorial Day to Labor Day, when it must more than double the number of its employees to handle the crowd.

6 WEST NORTH CENTRAL

Location: Bismark, ND
Association members: William J. Wood, John Greff
Operation: The Wood House Incorporated
Profile: Casual restaurant
In business: 18 1/2 years
Seats: 160
Meals served: Lunch, dinner

North Dakota's troubled farm economy and a sporadic oil and gas industry have affected all businesses in the state. "For the situation the economy is in, our business is good," says **John Greff**, general manager of The Wood House. "We're even with last year, and last year was our best since 1984."

Greff describes his restaurant as a cross between fast food and full service. Customers call in their orders over phones attached to the booths, and waitresses bring the food to the tables within 10 minutes. Whether it's a farmer or the governor, The Wood House, with its casual atmosphere, wants to make all its customers feel comfortable. Located half a mile from the state capitol, it attracts legislators, business people and those who live in the neighborhood.

Hamburgers are the main draw, with the meat freshly-ground in the restaurant's kitchen. But customers can also order chicken or steak, homemade soups and pies. "Over the years our menu has changed very little," Greff says. "We don't advertise much," he adds. "Word of mouth does very well for us."

7 WEST SOUTH CENTRAL

Location: Oklahoma City, OK
Association members: Pete Holloway, Paul Kreth, Cara Falcon
Operation: Hungry Peddler
Profile: Midscale fullservice restaurant
In business: 15 years
Seats: 160
Meals served: Lunch, dinner

Travelers staying in Oklahoma City's hotel district make a point of visiting the Hungry Peddler for its prime rib. "There are people who travel here on business who won't go anywhere else," says **Cara Falcon**, general manager. Falcon says the restaurant's business is now coming back after feeling the effects of the oil boom bottoming out. "All of Oklahoma was in a pretty bad spot for a while," she says.

While the restaurant's quiet, intimate atmosphere attracts one kind of crowd, the adjoining club, with a Happy Hour and a wide variety of games, brings in those looking for something livelier. Football enthusiasts enjoy an NTV-system game which gives them a chance to guess the quarterback's next call.

8 MOUNTAIN

Location: Carson City, NV
Association members: Joe Heudorf, Don Tatro
Operation: The Steak House
Profile: One of four restaurants associated with a casino
In business: 26 years
Seats: 100
Meal served: Dinner

The Steak House is one of four restaurants that come under the domain of the Carson Nugget Casino. Casino Food Director **Joe Heudorf** says business is good; but he considers himself lucky that the restaurants can depend on the casino, which is the real money-maker. The restaurants do have a following, however. "We bring them in with the food, then comes the casino." The drawing cards at The Steak House are the fresh vegetables, stone-ground wheat bread, all kinds of desserts made in the on-premises bakery, and steaks, lobster and fresh fish. Two specialties popular with diners are Italian San Remo Scampi sauteed in garlic butter and a fresh halibut grilled and served with a butter-lemon sauce and almonds.

9 PACIFIC

Location: Coronado, CA
Association member: Sharon Considine
Operation: Mexican Village Restaurante y Cantina
Profile: Mexican restaurant
In business: 15 years
Seats: 300
Meals served: Lunch, dinner, breakfast on Sundays

According to owner **Sharon Considine**, this is a banner year for the Mexican Village Restaurante y Cantina, thanks to the beautiful weather, the dollar's poor showing in Europe (which is bringing more tourists than ever to the San Diego area), the January Super Bowl and newly instituted ferry service from San Diego to the island of Coronado.

The restaurant, true to its name, looks like a Mexican village. It began as an 1878 firehouse; but as successive owners acquired neighboring businesses over the years, they added them on, until the restaurant became what it is today—a series of rooms in a two-storied building that add up to 14,000 square feet of space.

There is more history on the inside, where murals and Mexican artifacts decorate the walls. One wall in the lounge is hung with plaques left for luck by squadrons that set forth from nearby North Island Naval Base to fight in World War II and the Korean War.

Mexican food is the house specialty, but the most sought-after item is a romaine salad made with a dressing so popular that naval commanders have been known to stash a case of it on board their ships before long sea journeys.

The cantina part of the restaurant has entertainment nightly, with Sunday set aside as the night senior citizens come to listen and dance to big-band specials.

—Julie Fintel

Breakfast at Ed's

Bubbles, Flo, Roy and the rest of the gang at Ed Debevic's Short Orders Deluxe are up at the crack of dawn to sizzle up some bacon, scramble a coupla eggs, dish up a bowl of Maypo and pour a great cuppa java.

That's right, Ed Debevic's Short Orders Deluxe in Chicago is now serving fresh-baked cinnamon and pecan rolls, "scrambles," oatmeal and pancakes— Monday through Friday. To top off breakfast at Ed's, customers get a "cruiser" cup, a six-ounce coffee cup decorated with Ed's logo and filled with steaming coffee, for the "cruise" to work.

Other extras: shoe shines, a coffee boy to make sure cups are filled and a newspaper stand complete with candy and mints. And, during the summer, customers can even have their cars washed in the back while they eat.

—Sheila King Public Relations

No-salt Cajun

When Ella Brennan, owner of Commander's Palace restaurant in New Orleans, had a triple bypass, doctors told her to stay away from salt. But she couldn't get used to eating food without seasoning.

She asked her chef Emeril Lagasse to create a no-salt creole seasoning. Soon her employees started stealing the great-tasting, good-for-you spice.

So Ella's firm started selling Sodium-Free Creole Seasoning, a combo of garlic, bell peppers, onions, herbs and spices. McCormick's, the spice company, now makes it. Sodium: 1 mg. per teaspoon.

—American Health

A microwave for popcorn

Everyone knows that the key to making good popcorn is to listen carefully to the popping kernels. When the folks at Litton decided to build a microwave oven just for popcorn, they used the same principle.

The Litton Micro-Popper compact oven features a built-in microphone linked to the oven's computer. The microphone listens to the kernels' popping sound, determines when it has slowed to the proper rate for maximum yield of popped corn and automatically shuts off when the popcorn is ready. The oven, which is designed for vending locations, convenience stores and other self-service outlets, can be used only for popcorn.

—Litton

Do-it-yourself ethnic

Americans who try to duplicate at home the authentic ethnic meals they eat in restaurants are often frustrated by an inability to find some of the necessary exotic ingredients. Thanks to Hillcrest Foods, these home chefs will suffer no more. The Sparta, New Jersey-based firm has come up with an idea that can save cooks the four-hour search for pickled baby cactus leaves: international dinner sets, each including an elegant menu (with recipes) for four and all the required hard-to-find ingredients. (The home chef still has to shop for the readily available items.)

Two kits are currently available, a Japanese dinner (designed by Japanese cooking authority Elizabeth Andoh) and a Mexican dinner (from the Boston restaurant chef Jose Romero). Planned future kits include Middle Eastern, Chinese and Italian. The kits retail for about $29.

—Food and Wine

Hot peppers for shingles

People who eat a steady diet of peppery foods usually find that, after a time, they can devour more of the hot stuff without the searing effects. Now researchers have discovered that the same process that helps pepper-eaters build up a tolerance to hot foods can short-circuit the pain of shingles.

A substance in the peppers, capsaicin, depletes a neurochemical that carries pain impulses from the nerves in the skin to the central nervous system. The brain no longer receives pain messages from that area. This same process lets hot-pepper-lovers indulge without pain.

Capsaicin, now available in an over-the-counter cream called Zostrix, is also being tested for relieving the pain of mastectomy and diabetic nerve damage.

—Prevention

Too much location?

Is this idea all wet? David Walter of Fairhope, Alabama, wants to open what he thinks is the nation's only restaurant that requires customers to wade through water to enter. The restaurant's planned location is Gulf Shores, Alabama, on the Gulf of Mexico, in a former oil-field boat anchored 50 feet from the beach in three feet of water. Walter has applied for Army Corps of Engineers permits, and the city is studying the plan's legality.

—USA Today

[illegible]

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- **Merchandising techniques** that work overtime—direct mail, point of sales, menu ideas
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For more infromation, call the National Restaurant Association at 800/424-5156 (toll-free) or 202/331-5900.

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EPORT INSERT

THE MONTHLY MAGAZINE OF THE NATIONAL RESTAURANT ASSOCIATION
VOL. 8 ☐ NO. 7 ☐ AUGUST 1988

RESTAURANTSUSA

THE SQUEEZE IS ON LOCATION

ASSOCIATIONMEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

8/16	Oakland, CA
8/17	San Diego, CA
8/30	St. Louis, MO
9/7	Columbus, OH
9/8	Detroit, MI
9/20	Des Moines, IA
9/21	Chicago, IL
10/4	Baltimore, MD
10/6	Portland, ME
10/12	Phoenix, AZ
10/13	Denver, CO

Increasing Sales: Effective Front-of-the-House Management

8/23	Greenville, SC
9/20	St. Louis, MO
10/25	Chicago, IL

Kitchen Management

8/29	Chicago, IL
8/30	Cleveland, OH
9/6	Baltimore, MD
9/19	Atlantic City, NJ
9/27	New York, NY
9/27	San Francisco, CA
9/28	Nassau/Suffolk, NY
9/28	Anaheim, CA
10/3	Newport, RI
10/12	Knoxville, TN
10/17	Williamsburg, VA

Tools for Training

8/31	Riverside, CA
9/13	Grand Rapids, MI
9/15	Nassau/Suffolk, NY

Food Production Courses

Fish and Seafood

8/29	Denver, CO
8/31	Philadelphia, PA
9/14	Minneapolis, MN
10/3	Washington, DC
10/5	Cincinnati, OH
10/18	Atlanta, GA

Soups and Sauces

10/24	Tampa, FL

Foodservice Management Courses

Banquet Management

9/20	Atlantic City, NJ
9/22	Hartford, CT
10/18	Louisville, KY
10/20	Portland, OR

Do-It-Yourself Public Relations

8/10	Denver, CO
8/11	Arlington, TX
10/4	Milwaukee, WI
10/4	Minneapolis, MN

Food Cost Management

8/15	Detroit, MI
8/16	Houston, TX
10/17	Burlingame, CA
10/18	Anaheim, CA

Hiring in a Tight Labor Market

8/24	Boston, MA
8/25	Hartford, CT
9/14	Baltimore, MD
9/15	Washington, DC
9/19	Newark, NJ
9/20	Atlantic City, NJ
9/22	Worcester, MA

Menus that Sell!

9/21	Indianapolis, IN

Off-Premises Catering

9/7–8	Raleigh, NC
9/28–29	Beverly Hills, CA

Operational Analysis

9/22–23	Norfolk, VA
10/12–13	Columbus, OH

Planning and Implementing a Restaurant Marketing Strategy

9/19–20	Atlantic City, NJ
10/4–5	Ft. Worth, TX

Planning Successful Buffets

8/22	Lancaster, PA
9/19	Atlantic City, NJ
9/26	Toronto, Ontario
9/28	Halifax, Nova Scotia
10/3	Cleveland, OH

Profitability

9/11	Lincoln City, OR
9/13	Seattle, WA
10/19	Dearborn, MI
10/21	Milwaukee, WI

Restaurant Design

9/29–30	New Orleans, LA

1988 California Wine Workshop

9/24–30	Napa Valley, CA

For information, contact:
Educational Foundation of the National Restaurant Association,
1200 Seventeenth St., N.W.
Washington, DC 20036-3097
(800) 424-5156 or (202) 331-5900

If your company is interested in our in-house programs, call or write to the attention of Frank Doyle at the above address.

EXECUTIVE STUDY GROUP SERIES

Financial Officers

10/5–7	Monterey, CA

Foodservice Purchasing Managers

9/21–23	Boston, MA

Internal Audit

9/13–16	Monterey, CA

Labor Relations

9/15–16	Columbus, OH

Large Independent Operators

9/14–16	Frankenmuth, MI

Management Information Systems

10/11–14	Hilton Head, SC

Marketing Executives

10/16–19	New Orleans, LA

Multi-unit Architects, Engineers and Construction Officers (MAECO)

10/26–28	Orlando, FL

Quality Assurance

10/12–14	Orlando, FL

Safety Officers

7/20–22	Vail, CO

Tax Executives

10/5–7	Monterey, CA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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RESTAURANTSUSA

VOL. 8 NO. 7 **AUGUST 1988**

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PRESIDENT'S REPORT

Jim L. Peterson, President and Chief Operating Officer
Whataburger, Inc., Corpus Christi, TX

"Politics on the menu" is the theme of our association's fourth annual Public Affairs Conference, to be held in Washington September 26-28. The conference is the association's largest political event of the year, featuring two and one-half days of conversations between foodservice industry representatives and prominent government officials.

Politics on the Menu, September 26-28

Speakers at this year's conference will include journalists, members of Congress and administration officials. Conference attendees can also meet one-on-one with their congressional representatives in their offices to discuss pending issues that affect our industry or at the "Chef d'Oeuvre" reception—while tasting foods from several fine Washington restaurants.

Because 1988 is an election year and because the status of many tax, labor and immigration laws is still in limbo, this year's Public Affairs Conference will be more pivotal than ever before. Your attendance will help our industry's voice be heard throughout Washington. I hope to see you there. For more information, contact the association's government affairs department at 1-800-424-5156.

85,000 messages oppose minimum wage increase

The association has been working hard to make known the industry's opposition to labor-sponsored legislation, especially minimum wage. Thanks in part to your grassroots activity, this bill has not yet come to a vote in either house. Since May, the government affairs staff has conveyed more than 85,000 messages from restaurateurs to members of Congress objecting to an increase in the minimum wage.

We are also following closely the progress of a new version of parental leave legislation, which is expected to come up for a vote before the end of this session. Although the new form of the bill is scaled down, it still violates the association's contention that employers, and not the government, should determine which employee benefits should be provided.

TJTC extension likely

On a more positive legislative note, a two-year extension of the Targeted Jobs Tax Credit (TJTC) has been included in the House Ways and Means Committee version of the 1988 tax "technical corrections" bill. An extension of TJTC is likely to be passed this year.

Liquor liability program created for members

I am also glad to announce that association members are now eligible for liquor liability insurance through BRICO (Beverage Retailers Insurance Company). BRICO, which was formed by our association and five other hospitality associations, is a risk-retention group designed to ease the insurance crisis created by inflated prices for liquor liability coverage. For more information and an application, call 1-800-541-0392.

New alcohol awareness task force needs your input

By now, you all should have received a questionnaire asking for your input on alcohol awareness-related issues. Please return that questionnaire as soon as possible so that the new Alcohol Awareness Task Force can review your ideas before it establishes an agenda for future action.

AIDS videos explain disease, law

Our employees and customers continue to be concerned about AIDS, and education is the best deterrent to this frightening disease. Be sure that your managers and employees understand AIDS before they have to deal with a person with AIDS or rumors about the disease.

The association has produced a two-part set of videotapes on AIDS called *The Aids Issue*. The first tape can help your staff understand the laws surrounding the employment of persons with AIDS. It suggests ways your managers can deal with employees and patrons who may fear that an employee could pass on the AIDS virus. The second tape is directed at all employees. It tells the facts about AIDS, emphasizing that it is not a foodborne disease and that it is not passed through casual contact. You can obtain a set of these tapes by sending a check for $33.95 to the association's publications department.

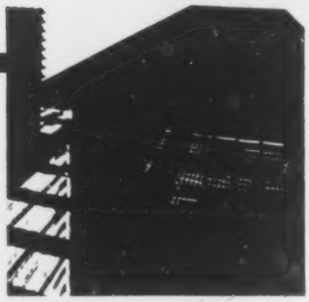
It is my pleasure to welcome 265 new members who joined the association during June and July. You will find the association a great help to your business, and I encourage your active participation in our activities.

Sincerely,

Jim L Peterson

Jim L. Peterson
President and Chairman of the Board

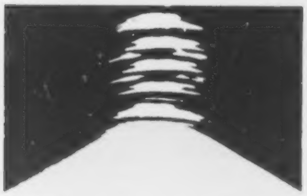
RESTAURANTS USA



COVER STORY: THE SQUEEZE IS ON LOCATION

10 It's a tight real estate market, and operators are coming up with innovative—and money-saving—alternatives to the free-standing restaurant site. Sidebars focus on leasing restaurants in hotels and points to keep in mind when scouting for a location.

SPECIALS



15 Computing a sales price for used equipment
How much should you ask or pay for used restaurant equipment and furnishings? Use these methods to figure out the price.

17 Getting to yes
In today's competitive business world, negotiating skills are a must for getting to workable solutions.

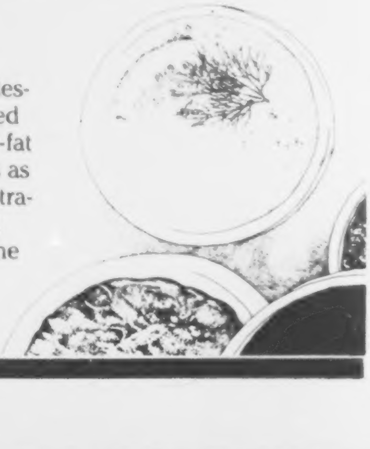
20 Keeping an edge on energy costs
Restaurants can shave money off their energy bills. The Energy Edge research program is saving participating operators in the Northwest thousands of dollars.

24 Mealtime manners
Be prepared for executives who are learning about the power of the oyster fork and other fine points of fine dining. Test your own etiquette skills in the accompanying quizzes.

26 10 kitchen design mistakes to avoid
Designing a restaurant kitchen takes foresight, flexibility and ingenuity—and a good deal of common sense. This article discusses ideas to incorporate in your kitchen's design—and common pitfalls to avoid.

29 Computer conference report
At the National Conference on Computers in Foodservice, restaurateurs learned how computers can help them run their businesses more efficiently. Conference closeups include information on how to prepare to computerize, what to ask during a sales presentation and how to hire a consultant.

32 Slim sauces
Growing concern about fats and cholesterol has encouraged chefs to create low-fat (and no-fat) sauces as alternatives to rich traditional sauces and rouxs. Don't miss the recipes.



Cover photo by Gary Landsman

DEPARTMENTS

6 Short Orders
- ☐ We still scream for ice cream
- ☐ American Express publishes regional dining guides
- ☐ Aussies get taste of Chicago-style pizza
- ☐ Szathmary goes to Johnson & Wales

7 Washington Report
- ☐ DC Roundup
- ☐ Complicated benefits law imminent
- ☐ Too much trash and no place to go
- ☐ Association fights for alternate sanitation programs

9 Boardroom
- ☐ Jim Peterson brings national agenda to state meetings
- ☐ Boyd Morris honored

35 Fisher's Law
- ☐ Insights and inanities

36 Foodservice Trends
- ☐ A review of industry health insurance plans
- ☐ A fine future for food bars
- ☐ Food contractors are wooing—and winning—the institutional market
- ☐ Restaurant beverage consumption update

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought
- ☐ Power ties for a power restaurant
- ☐ Domino's delivers a new chain
- ☐ Budging the cold war
- ☐ Melts only in the mouth?
- ☐ Unstable beer prices mimic Dow Jones

American Express publishes regional dining guides

To celebrate the 30th anniversary of the American Express Card, American Express is offering card members a signature series of 18 regional dining guides across the country beginning this month. "The Collection" will be distributed nationally through direct mail to selected card members in all 18 regions. In addition, card members traveling to any of the regions may obtain complimentary copies by calling a toll-free number. "The Collection" will be supported by a national print campaign, scheduled to break in September.

Each guide will feature local restaurants arranged by cuisine type. In addition, each guide will include a variety of value-added offers designed to bring incremental business to participating restaurants. Inclusion in "The Collection" is available to any restaurant that honors the American Express Card and generates at least $1 million worth of business annually on the card.

Two other marketing programs for restaurants are being launched by American Express. These are "Invitation to Fine Dining," a series of certificates featuring special offers from restaurants throughout the United States; and the "American Express Direct Action Program," a direct mail program consisting of value-added offers mailed to card members on specially designed postcards for use at restaurants throughout the country.

The American Express Collection
THE AMERICAN EXPRESS COLLECTION
NEWPORTS

Aussies taste Chicago-style pizza

The American infatuation with the land down under is boomeranging across the Pacific. At least that's what the Australian franchisee of Pizzeria Uno hopes.

Now that a Pizzeria Uno is open in Sydney's "Darling Harbor Festival Marketplace," Aussies can sample the gourmet, Chicago-style, deep-dish pizza. The cafe-style restaurant features terrace seating and sweeping floor-to-ceiling glass panels overlooking the harbor and the marketplace shops. Patrons can either dine in the fullservice restaurant or buy their pizza at the "slice shop," which caters to on-the-go shoppers.

Szathmary goes to Johnson & Wales

"Put your diploma in a safety-deposit box and start to work, realizing that you don't know anything," Louis Szathmary, owner and executive chef of Chicago's The Bakery restaurant, told culinary arts students at Johnson & Wales College. As the 53rd Distinguished Visiting Chef,

Szathmary gave a culinary demonstration of dishes from his menu, including *Hungarian Sausage Served in Round Bread* and *Crayfish in Paprika and Caraway Sauce.*

We still scream for ice cream

From the banana split at the corner drugstore to sherbet cones in an antique flower-holder at New York's Le Cirque, ice cream dishes are always a favorite American dessert. A new brochure, available from the International Ice Cream Association, suggests how to create ice cream dessert menus, shows unique ways ice cream is served in restaurants nationwide and gives recipes and storage tips.

Entitled "The Newest Trend: Ice Cream Dessert Menus," the booklet is for caterers, restaurateurs and professional chefs. It is available free of charge from the International Ice Cream Association, c/o KCS&A Public Relations, 820 Second Avenue, New York, New York 10017.

ICE CREAM
INNOVATE! CREATE! CASH IN!
THE NEWEST TREND: ICE CREAM DESSERT MENUS

Too much trash and no place to go

In their quest to reduce the volume of solid waste, state, county and city legislators are taking aim at everything in sight—plastic eating utensils, foam packaging for takeout food and drinks, even paper straw wrappers.

At sea for more than six months, the ship was turned away at each port as it struggled to find a place to dock. This was no passenger boat of immigrants looking for golden opportunities in America, but a load of garbage in need of a final dumping ground.

The infamous New York garbage barge is a vivid symbol of a problem many U.S. restaurateurs are beginning to face. Near-capacity landfills and skyrocketing waste-disposal costs are raising the costs of trash hauling and dumping for restaurateurs. And state, county and city legislators are taking aim at everything in sight—plastic eating utensils, foam packaging for takeout food and drinks, even paper straw wrappers—in their quest to cut the volume of solid waste.

Landfills are filling up

Americans generated 133 million tons of garbage in 1986. More than 80 percent of this was buried in landfills. Many of these landfills, especially in the Northeast, are reaching their capacity. Others are shutting down because they do not meet standards established to prevent contamination of underground water supplies.

What this means is that garbage often has to travel farther to be dumped or that landfills are charging haulers higher "tipping" (dumping) fees. Especially in areas like New York, restaurateurs are seeing the effect on their bottom line. In Oyster Bay Township on New York's Long Island, for example, the "tipping" fee has shot up from $14 per ton in 1980 to $80 in 1988. Bob Fletcher, owner of Dining Car 1890 in Stonybrook, New York, complains that "[the fee I pay the hauling company] went up almost 100 percent in one shot." Six months ago his bill rose from $456 per month to $870 per month. "What do I do to my menu to compensate?" he wonders.

Packaging targeted

Of the 200-plus state bills introduced this year to curb solid waste volume, many propose taxes or bans on certain kinds of packaging. And although foodservice packaging counts for only a tiny portion of total solid waste, it's a visible target for legislators trying to reduce the amount of garbage.

"Packaging is being singled out because it's an easy target," explains Dr. Susan Selke, assistant professor at Michigan State University's School of Packaging. People don't con-

DC ROUNDUP

☐ **Minimum wage debate drags on.** The saga of the 1988 fight to raise the minimum wage continued last month, as members of the U.S. House, not sure they had enough votes to pass their own minimum wage bill, tried to prod the Senate into voting first. But senators took no action, reluctant to move on the sensitive issue without any assurance from their House colleagues that the House had the votes to pass the bill. So progress on the issue is at a standstill.

☐ **House and Senate pass plant closing bill.** Both chambers of Congress okayed legislation last month to require businesses with more than 100 workers to give 60 days' notice of closings or layoffs affecting more than 50 employees. The measure then went to President Reagan. If he vetoes it, as his senior advisors urge, Democrats in both chambers say they have enough votes for an override. Although the Senate was unable to muster override votes before, Republicans now seem more willing to let the bill become law to prevent Democrats from exploiting the issue during campaigns.

☐ **Restaurants must implement hazard communication programs.** The Occupational Safety & Health Administration (OSHA) began enforcing its Hazard Communication Standard (HCS) in all businesses on August 1. Rumors of a temporary "stay" of HCS's enforcement date for all employers proved unfounded: Last month, an appeals court clarified an earlier ruling to say that the stay affects only employers in the construction industry, who are now contesting the standard's legality. HCS requires any employer whose workers are exposed to "hazardous chemicals" (OSHA defines these very loosely) to set up a program to keep track of workplace products containing these chemicals and to teach employees how to handle them safely.

☐ **Senate labor panel joins House committee in passing leave bill.** The Senate Labor & Human Resources Committee signed off July 14 on a bill that requires employers to give workers 10 weeks of unpaid parental leave every two years and 13 weeks of unpaid medical leave yearly. The House Education & Labor Committee approved a similar bill last November. Mandatory leave proponents in the House and Senate want floor votes on the issue before Congress adjourns in October.

☐ **Business meal issue crops up in welfare reform bill.** The National Restaurant Association is asking members of the House-Senate conference committee to drop a Senate proposal to phase out the business meals and entertainment tax deduction for individuals with adjusted gross incomes exceeding $360,000.

No hearings were held on this so-called "Bradley amendment (named for Sen. Bill Bradley (D-NJ), its sponsor) before it was hastily passed by the Senate. The association argues that the measure unfairly attacks the business meal deduction and sets poor tax policy.

sider packaging "a necessary good," she says.

Beginning next July, Suffolk County, New York—home to the infamous garbage barge—will become the first county to ban the use of certain plastics in retail establishments. Fast food restaurants will have to serve food in paper products rather than package them in plastic foam, and supermarkets will no longer be able to bag groceries in plastic.

Shelby Yastrow, senior vice president and general counsel at McDonald's, said McDonald's will consider several options for its Suffolk County franchisees. "We are looking into packaging that will retain heat and will not involve enormous increases in labor costs." According to Yastrow, McDonald's is carefully examining the environmental effects of polystyrene foam before changing its packaging nationwide. "If we get hard data that polystyrene hurts the environment, McDonald's will change," he says.

As finally passed, the Suffolk County ban was significantly scaled back from its original proposal, which had called for banning "clam shells," and requiring restaurants to separate biodegradable products from nonrecyclable plastics.

Legislators in other municipalities have proposed taxes on packaging as a way to discourage its use. In Minnesota, for example, a bill was introduced that would have levied a one-cent fee on a wide range of packages and containers. A fast food restaurant customer who ordered a hamburger, french fries and a soda would have paid an additional 5 cents just for the hamburger wrapper, french fries container, soda cup, straw wrapper and bag. Minnesota fast food franchisees breathed a heavy sigh of relief as this bill died in committee.

These drastic "solutions" to the problem won't disappear. The problem reaches across the states as legislators propose surcharges on styrofoam takeout products, bans of all nonbiodegradable packages that contain a consumer product and surcharges on all food and drink purchased for off-premises consumption.

Integrated waste management systems

Roger Bernstein, director of state government affairs at the Society for the Plastics Industry, sees many problems with these piecemeal solutions. "The problem with bans is that they are merely symbolic. They don't address the legitimate goals of reducing solid waste. If you ban one product, you have to replace it with another. What have you done to reduce solid waste?"

Bernstein also notes that packaging taxes "generate money right out of the consumer's pocket . . . The packaging taxes we've seen would require bureaucracies the size of the Pentagon."

So what's the solution? Ed Klein, director of the Environmental Protection Agency's (EPA's) municipal solid waste task force, says his panel will release a study this month recommending that municipalities adopt integrated waste management systems.

These systems would have four components: source reduction (getting unnecessary products off the market), recycling, converting waste to energy through incineration, and landfills. Klein hopes "each locality will take a look at the four components and determine what works best for it."

Recycling options

Restaurateurs are likely to be affected by whatever solution their municipality chooses. Recycling is apt to play a big role: a study conducted for the EPA says the United States can recycle about 25 percent of its municipal wastes. Currently, only 10 percent of this waste is being recycled.

This discrepancy may lead to a resurgence of "bottle bills," which would require bottles to be returned for recycling. Consumers in states such as Maine and Oregon, which passed bottle bills in the 1970s, have seen prices for a six-pack of beer increase.

McDonald's Corporation is investigating other recycling options. Although restaurateurs face special problems recycling food

Association fights for alternate sanitation programs

The National Restaurant Association is protesting Food and Drug Administration (FDA) actions that promote a single standardized employee-testing program over sanitation training programs. National Restaurant Association Executive Vice President William P. Fisher and officials of the association's educational foundation met with representatives of the Secretary of Health and Human Services to question the propriety of the internal FDA program guidelines, which were issued last fall.

Fisher protested the implication in the guidelines that testing was superior to training and noted that the guidelines constituted FDA endorsement of a single commercial entity to the exclusion of current or potential alternative programs. One leading alternative is "Applied Foodservice Sanitation (AFS)," published by the Educational Foundation of the National Restaurant Association. AFS was developed specifically to meet 1979 FDA criteria for training programs and has certified more than 160,000 persons in food safety concepts since its inception. Fisher has asked FDA to endorse the program.

FDA officials have admitted that FDA is advocating a single test, developed by the Educational Testing Services (ETS). Acting Director Richard Ronk said that testing foodservice managers in key concepts of food protection was " . . . even more important than the quality of the training materials used and the effectiveness of the instructor . . . " and stated FDA officials had decided that earlier criteria for training programs were " . . . arbitrary and unnecessary."

FDA apparently intends to continue promoting ETS, and seems reluctant to endorse other programs.

It is the association's belief that the foodservice industry needs a variety of reliable training and certification programs in food safety and sanitation. Concerned operators should work through the National Restaurant Association, its educational foundation and state associations to oppose FDA's endorsement of the ETS program and to call for support and endorsement of alternative programs.

—Robert E. Harrington

containers—because the waste has been contaminated by food—McDonald's is working with Amoco Foam Products to find practical uses for post-consumer polystyrene foam. The garbage is picked up from a McDonald's restaurant and taken to a sorting facility where the sorting process begins. McDonald's uses a new technology, not unlike the procedure used for sorting glass bottles, to remove the foam products. Foam insulation board, used in homes and buildings, is one of the by-products.

Dwindling landfill space, environmental concerns and rising disposal costs, are forcing Ameri[illegible] make choices a[illegible] different ways [illegible] its waste. "Cust[illegible] ing" the waste ma[illegible] system will allow each community to direct its resources to the most beneficial methods.

As Dr. Selke explains, "We're all in this together, and we'll all have to bear the burden." As members of their communities, restaurateurs will have a role to play.

—*Stephanie Gordon*

Complicated benefits law imminent

Employers who offer health or accident insurance, group term life insurance or cafeteria-benefit plans may be caught off guard by new benefits-testing requirements due to go into effect for plan years beginning after December 31, 1988.

Passed as part of the Tax Reform Act of 1986, these requirements aim to equalize the value of benefits offered to top earners and lower-paid workers. Called "Section 89" requirements (for the section of the Internal Revenue Code that contains them), the new rules are similar to nondiscrimination rules already in effect for pension plans.

Under Section 89, employers must apply a series of complicated tests to their benefit plans to see if benefits are fairly distributed to employees. If tests show benefits to discriminate in favor of highly compensated workers, these employees would be taxed on the benefits considered to be discriminatory.

The law does not apply to workers who are under 21, have been employed for less than six months or who normally work less than 17.5 hours a week or less than six months each year.

The law will have a big effect on employers' recordkeeping and data collection and could require employers to run Section 89 eligibility and benefits tests up to 11 times a year. Penalties for non-compliance are strict.

So far, employers have gotten no help from the IRS in understanding the extremely complex requirements of Section 89. IRS promises to issue regulations shortly and says employers will be expected to begin complying after the end of this year. A "Section 89 Coalition" is now lobbying Congress to revise Section 89 or postpone its effective date.

For more information on how Section 89 will affect your operation, talk to your tax advisor and/or plan provider.

—*Denise Roach*

BOARDROOM

[illegible]im Peterson brings national agenda to states

Just two months into his term at the association's helm, President Jim L. Peterson has already traveled to numerous state restaurant association meetings, sharing with industry colleagues his perspective and outlining the national association's agenda. He most recently attended conferences in Missouri, Pennsylvania and Louisiana.

Association president Jim Peterson has been delivering his message of "food-service as a way of life."

Addressing the Louisiana Restaurant Association at its President's Awards Banquet, Peterson spoke on the broad theme of "food-service as a way of life." He discussed the importance of the service ethic throughout the industry, saying, "Our commitment to service distinguishes us from all other industries. We must never lose sight of the service ethic, which is largely responsible for our industry's prosperity."

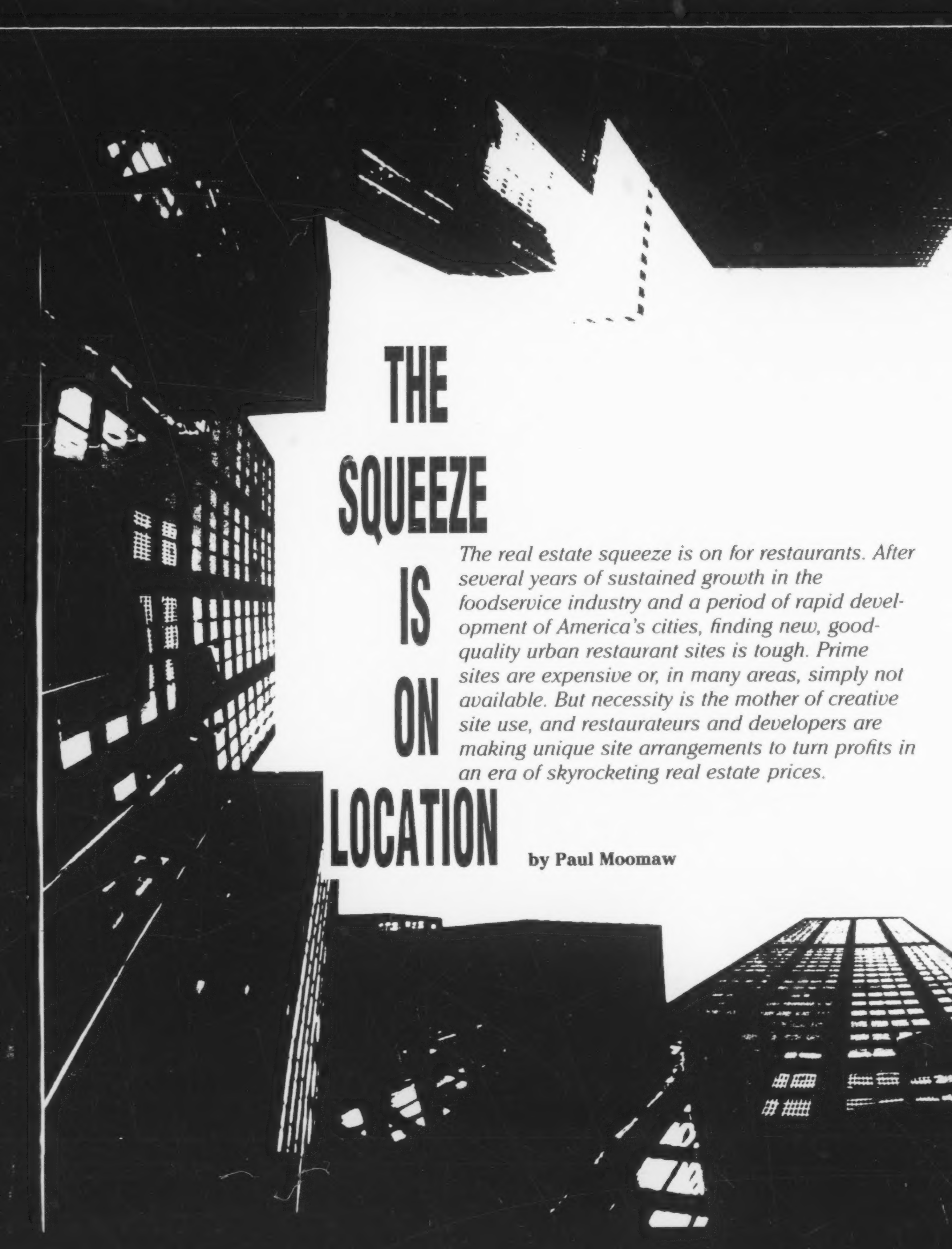
Peterson also addressed political issues, such as the association's continued fight to classify tips as wages and its support for the Earned Income Tax Credit to aid the working poor. "The E.I.T.C. is an automatic tax credit, added to weekly paychecks, which puts money directly in the pocket of those who need it most," Peterson said. "Furthermore, it helps the needy without crippling business."

Boyd Morris honored for 40 years of service

National Restaurant Association Honorary Director Boyd Morris, of K & W Cafeterias in Greensboro, North Carolina, was recently honored by the North Carolina Restaurant Association for 40 years of service to the hospitality industry. A founder and the first elected president of the North Carolina Association, Morris has since expanded his company from one unit, Greensboro's Mayfair Cafeteria to 21 cafeterias in North Carolina, South Carolina and Virginia.

Morris received the North Carolina Association's special President's award during their 40th annual meeting in Pinehurst this spring.

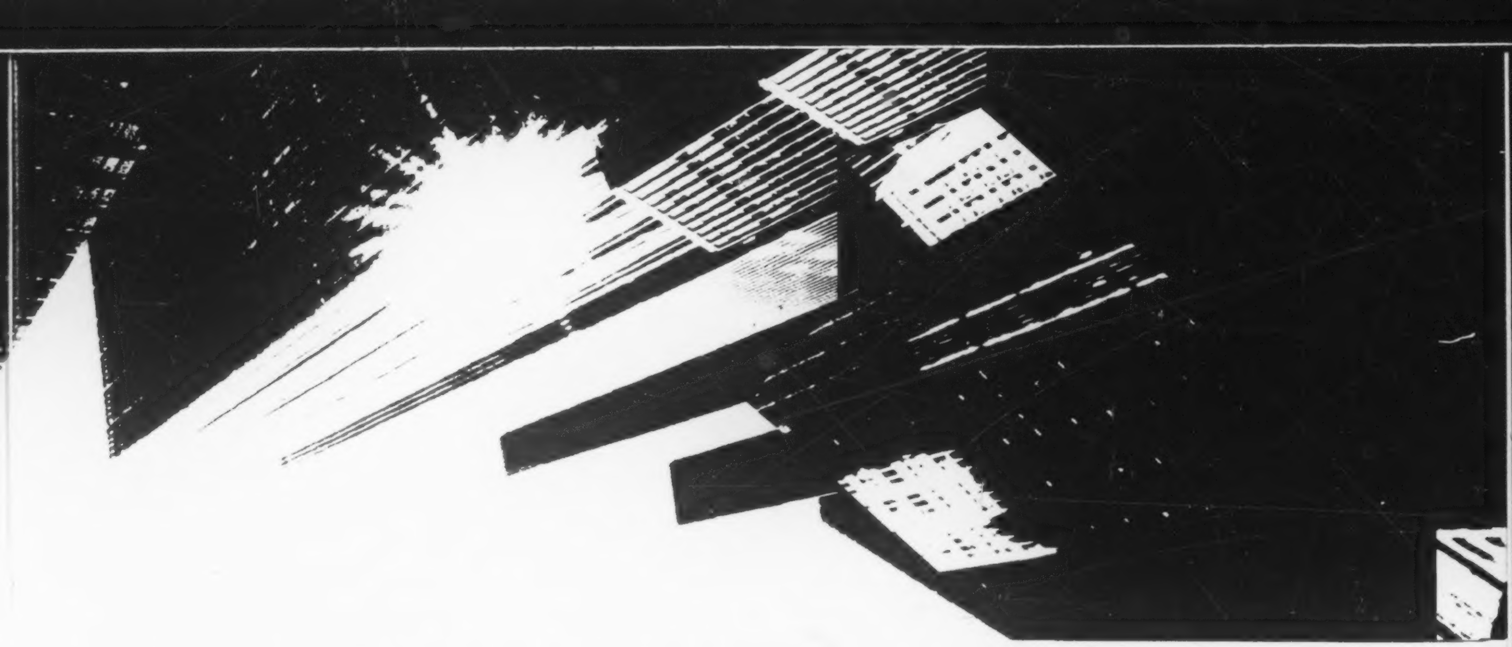
—*Anne Papa*



THE SQUEEZE IS ON LOCATION

The real estate squeeze is on for restaurants. After several years of sustained growth in the foodservice industry and a period of rapid development of America's cities, finding new, good-quality urban restaurant sites is tough. Prime sites are expensive or, in many areas, simply not available. But necessity is the mother of creative site use, and restaurateurs and developers are making unique site arrangements to turn profits in an era of skyrocketing real estate prices.

by Paul Moomaw



Industry analysts agree that the restaurant market is overbuilt in many parts of the country. In developed urban areas, most new entries are dividing up an already-established customer base rather than serving new market segments or meeting increased demand. In fact, Laventhol & Horwath's Robert Patterson thinks the brakes should be applied to development of new restaurant sites. "If I had one wish for the industry," says Patterson, "it would be a three-year moratorium on building new restaurants. I know that's impossible, but I wish everyone would get together and decide not to develop new sites—it would ultimately be good for the industry." Patterson believes that most new undeveloped sites are inferior when compared with more creative uses of existing developed real estate.

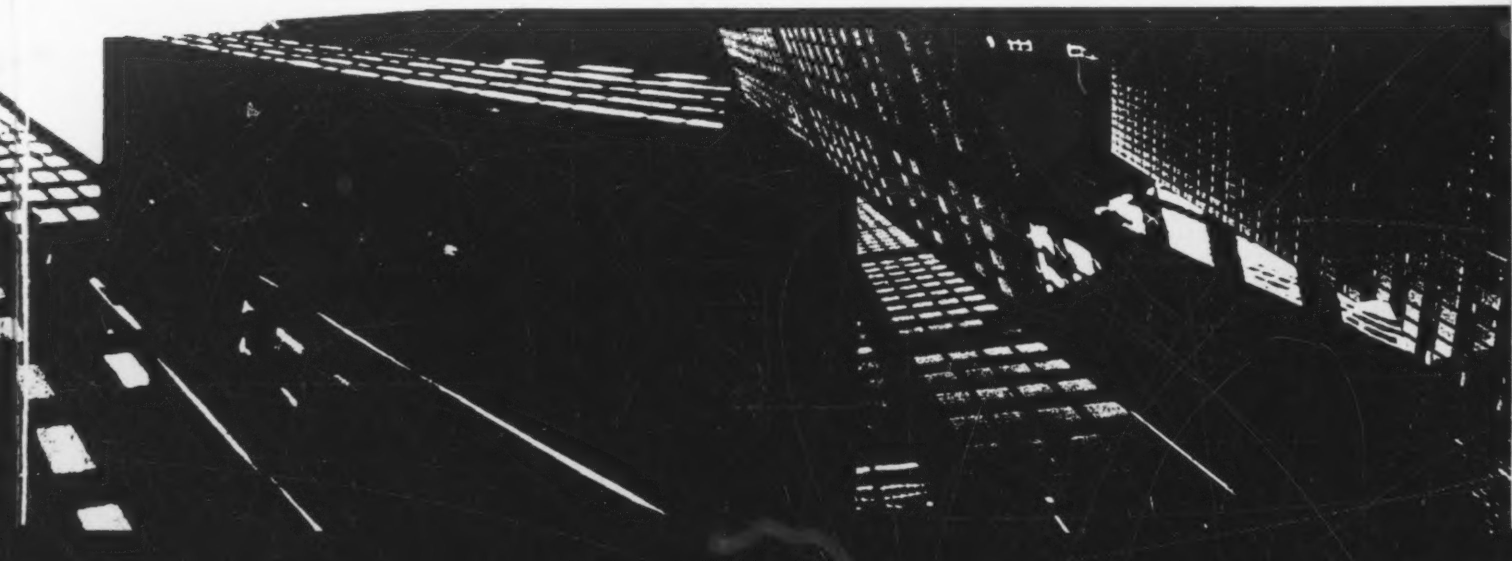
Paul Moomaw is a communications specialist for the National Restaurant Association.

Some tips from Japan

A futuristic scenario for the American restaurant industry is being played out in Japan where real estate prices are already sky high in many cities. Japan has more than half the population of the United States but occupies a land mass about the size of California. Consequently, Japan's well-developed foodservice industry has already encountered many of the problems that go with establishing sites in dense urban areas. A number of creative arrangements have resulted, many of them involving site-sharing or, as the Japanese say, "combined openings." In these combined-opening arrangements, restaurants team up with other industries to use an available piece of land.

Unlike most American site-sharing arrangements, Japanese ventures have not been limited to complementary operations. Restaurants in Japan have teamed up with car dealers, shoe stores, book stores, do-it-yourself stores and flower shops. Whether or not these businesses bring customers to one another is less important than simply solving the fundamental problem of getting a restaurant placed on a good-quality site. Because valuable land is often made available only in large parcels, it is often essential that a restaurant share space with another business.

One Japanese foodservice chain, Skylark Restaurants, has developed a unique leasing method that allows for rapid expansion with a minimum investment risk at the time of opening. All Skylark restaurants are company-owned, and the chain has grown to nearly 700 units since starting up in 1970. The "Skylark formula" works as follows: Skylark asks the landowner of a prospective site to build a restaurant that fits Skylark's specifications. After the restaurant building is completed, Skylark makes monthly rent payments for both the land and the building. This method has allowed Skylark to open new restaurants without making the huge up-front outlays



that the building of a restaurant usually requires.

Other innovations have popped up in Japan as well. Combining parking with the restaurant site has become increasingly popular. A restaurant's parking space is built on the ground floor and the dining room is built on the floor above. Although building costs are 30 percent higher for those dual-purpose structures, in a densely populated area this may be recoverable, and it certainly increases accessibility to the restaurant.

Site-sharing is not unknown in the United States, of course, but according to Robert Patterson, this arrangement will be an even more important tool for expansion in the future. According to Patterson, the best possible site-sharers are restaurants that complement each other and bring in extra traffic for both operations. For instance, a fast food restaurant paired with a dessert operation may succeed in drawing a larger crowd that will spend more money per meal. (See "Franchise Partnerships" in the March 1988 issue of ***Restaurants USA.***)

Even more progressive is the notion of complementary restaurants sharing a site, with each drawing customers at a different meal period. The goal is to have a minimum amount of "down time" per day on an expensive restaurant site. For instance, a breakfast operation can be paired with a dinnerhouse that serves only lunch and dinner. Because they need the site at different times of the day, these operations can share nearly all facilities, including seating space, parking lots and even the kitchen. The challenge is to orchestrate a smooth transition between meal periods and to maintain individual identities on the same site.

Also worth considering are questions of legal responsibility and management of common areas. In what proportion will the site-sharers pay for security? And what limits, if any, will the sharers impose on one another in terms of signage or lighting?

Hotels and restaurants: the original site sharers

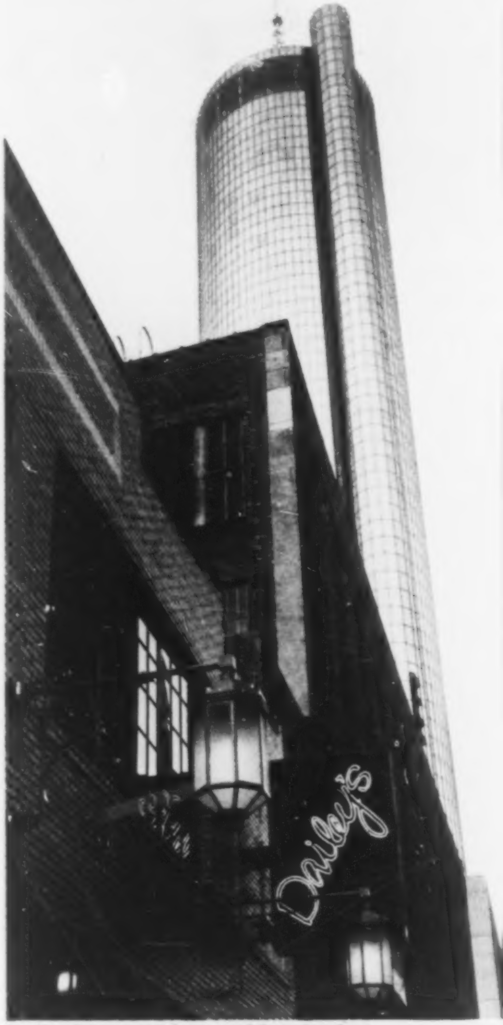
Because all people must sleep and eat, hotels and restaurants have always had close relationships. They may be the original site-sharers. But for a number of reasons, many hotel operators have found the traditional hotel restaurant to be a drain rather than a profit center. The result may be a future of greater division of responsibility and identity that leaves hotel foodservice in the hands of restaurateurs.

Rather than dealing with problems outside of their areas of expertise, some hotel operators, particularly at budget hotels, have begun to lease out their hotel restaurants to an independent or chain foodservice operation. Upscale properties, too, can benefit from this arrangement, such as the Mayfair Regent in Manhattan has done with Le Cirque and the Morgan expects to enjoy with the soon-to-open Pierpont. For restaurant operators, a hotel site offers a built-in customer base and possibly, depending on where the hotel is located, a prime site from which to draw a share of the community's foodservice dollar. In turn, hotel operators are left free to focus their operational energies toward attracting and servicing overnight guests.

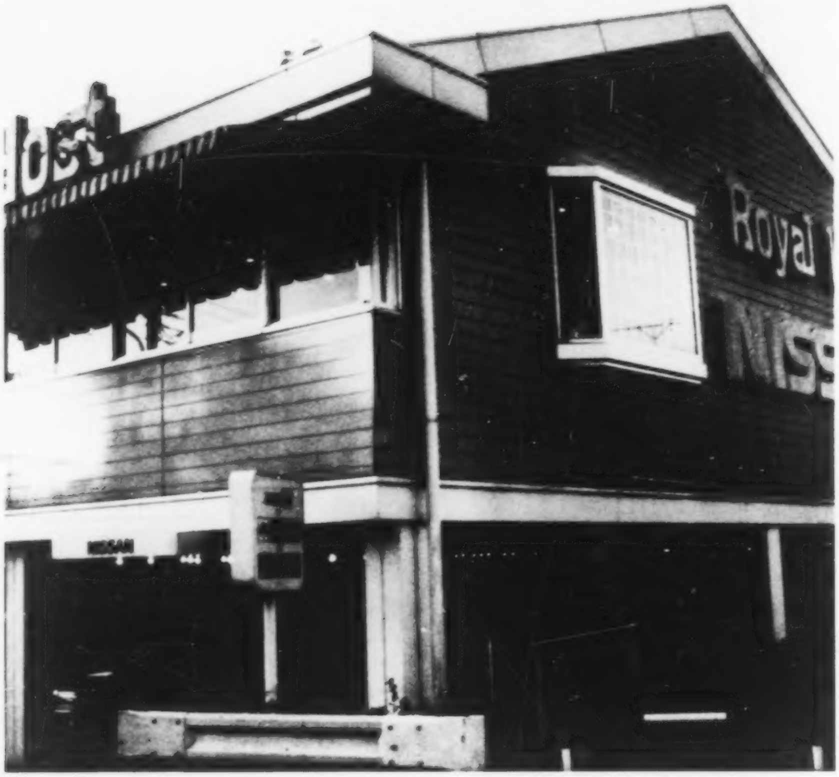
As Laventhol & Horwath points out in its brief, "Trend of business in hotels," many factors affect whether or not a restaurant can be successful within or adjacent to a hotel. The restaurant concept and the hotel concept must be compatible, of course. A restaurant with a limited menu may not appeal to a broad enough audience to serve hotel guests; and the requirement of seven-day-per-week, three-meal-per-day service may be too cumbersome and not cost effective for some types of restaurants. Breakfast, a crucial part of a hotel restaurant's success, may present a problem for operators who have no previous experience in breakfast service.

A key challenge in hotel foodservice is being prepared for the rise and fall of demand in response to the hotel's occupancy level. A hotel restaurant must be consistently staffed to accommodate potential demand, and therein lies the challenge. When hotel occupancy is high, the restaurant may be overtaxed; and yet the restaurant may be underutilized when hotel occupancy is low.

According to Laventhol & Horwath, leasing arrangements between hotels and foodservice operations vary greatly, depending upon the market and type of restaurant. Fees may be structured on a fixed base rent, a percentage of gross sales or a combination of the two. Lease terms are normally for 10 years with two five-year renewal options, and may include buy-out rights. Utilities for the restaurant are metered separately and are usually the responsibility of the restaurant operator.



Dailey's restaurant and bar in downtown Atlanta was once the site of two warehouses, but a 28-foot-high atrium entrance joined the two structures into a restaurant with a "warehouse feeling."



Japanese foodservice companies refer to site-sharing ideas as "combined openings." One of the most unusual combinations is this structure which houses a car dealership on the ground level and a restaurant above.

Takeovers and makeovers

Outside of site-sharing, the other major response to rising real estate costs is, and will be, more creative conversions and makeovers of existing sites. This includes not only taking over existing restaurant sites, but also scouring urban areas for structures that can be turned into restaurants.

One company that has made the most of both site-sharing and creative makeovers is Kimco Hotel Management in San Francisco, the brainchild of Bill Kimpton. Kimpton has successfully developed four downtown area sites with hotels and adjoining restaurants in old buildings that have been redesigned and given their own unique identities to appeal to locals.

Kimpton was able to obtain properties rather cheaply by purchasing old hotels on the decline and refurbishing them. In 1983, Masa's restaurant was opened on the site of the Vintage Court Hotel, and Kimpton discovered a wonderful marriage of the concepts. The hotel-with-connected-restaurant formula has been applied to

Setting your sights on the right site

No matter how right the price, a future-restaurant space is no bargain if the location is wrong. Here are some points to consider when picking a site:

☐ **Accessibility.** How easy will it be for people to get to your restaurant? Will they come on foot or drive? Is there ample parking? Do a traffic survey, noting the traffic flow on streets around you and how easy it will be for cars to turn off onto your street.

☐ **The neighborhood.** What is the general look of the neighborhood? Are property values increasing or decreasing? Some neighborhoods are deteriorating and are considered dangerous or attract undesirables who congregate on the street, often discouraging customers.

☐ **Competition.** Other restaurants in your area can be an advantage or a disadvantage. If they have a different appeal from yours, they can act as a drawing card to pull people into the area, giving more visibility to your restaurant. But if they are the same type as yours, with the same specialties, in order to succeed you must do better. Study your competitors; learn from their experiences and be sure the area isn't already saturated with restaurants.

☐ **Potential customers.** What kinds of people live or work in the area? What is their income? Do they want fast service or leisurely dining? Ask a marketing research company to do a study for you or conduct your own survey, stopping people on the street or talking to other merchants in the area. If you're located in a business area, you will want to find out if you can attract dinner customers. Mel Krupin's, an upscale restaurant in downtown Washington, DC, has closed because, the owner said, everyone goes home at 5 o'clock. On the other hand, if you locate in or near a shopping mall in the suburbs, you may not be able to attract a breakfast crowd.

☐ **Nearby drawing card.** If you're beginning a brand-new operation, it is a good idea to be near something like a hotel or convention center that already draws people to the neighborhood. Restaurateur Sam DuVall has just opened Bubba's Bar-B-Q on San Francisco's Van Ness Avenue, across the street from a first-run, multiscreen movie theater and the Hard Rock Cafe. He's counting on both places to generate substantial foot traffic in the area.

☐ **Regulations.** Zoning laws, parking requirements, licenses and taxes on new facilities are just some of the things to consider when looking at a neighborhood. Do your research at City Hall and find out what the regulations are and which will apply to you.

☐ **Facilities.** Are all utilities available? If you are buying or leasing an existing building, is the electric system adequate? Is there gas, water, sewerage and garbage pickup, and how much will these services cost? If equipment is already there, will it fit your needs?

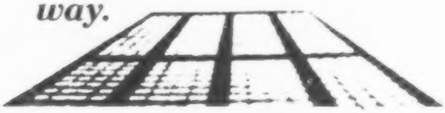
Finally, take your time before making the final choice. Talk to real estate agents, your future neighbors, your lawyers, your accountant, a banker, the local chamber of commerce, the Small Business Administration and restaurant consultants. Don't let your emotions overrule your good sense. The experts agree location is the most important factor in operating a successful business. It will pay in the long run to learn as much as you can before signing that bill of sale or lease.

—Julie Fintel

three other Kimpton properties in the Union Square area with similar success.

Whereas conversion of a structure that is not a restaurant may require a substantial initial investment in order to create a dining atmosphere and kitchen, taking over an existing restaurant at a desirable location may be an inexpensive way to cut costs. Although major design changes may be necessary to alter the concept and appearance of a restaurant during a makeover, the cost is usually cheaper than developing a site from the ground up. In many cases, the previous operation's kitchen can be used with only minor adjustments.

Find out where your customers are going and then get in their way.



There may be other advantages to a makeover as well, including assuming an existing lease arrangement in an area of rising real estate prices. When Rob Wilder recently opened the Austin Grill in Washington, DC, he purchased outright the business of the previous restaurant, which was a midscale Chinese operation. By purchasing the business, Wilder was able to assume a favorable long-term lease that had been negotiated several years earlier—before area rents went sky high—as well as some equipment and furnishings.

To find such a property, Wilder enlisted the help of a business broker who specializes in the purchase and sale of existing restaurants. Marilyn Wayne, of Wayne and Associates, was able to find the property for Wilder within about a month, following a general rule of site selection: Find out where potential customers are going and then get in their way.

The design challenge

Buildings of all kinds are potential makeovers, although some may represent a significant architectural challenge. A unique structure can give a restaurant built-in character that the construction of a new building can never match. Historic homes and mansions have been converted to restaurant use for some time. Among the most famous examples is the Mansion on Turtle Creek in Dallas, a 1920s mansion which was restored—at great expense—into a restaurant, bar and lounge.

But less lavish structures also have architectural possibilities. In midtown Manhattan, where no undiscovered cheap sites remain, owner Marian Patano has successfully turned a narrow brownstone into a seafood house called Mariana's. This 112-seat restaurant features a bar downstairs and dining upstairs, and it represented a significant design challenge to add a feeling of light and spaciousness. But the designers succeeded in giving the small space an "open" feel, by adding a modern, angular two-story glass front and through the creative use of mirrors and lights.

Traditional, historic buildings are not the only ones suitable for makeovers. In Moreland Hill, Ohio, a corner service station was converted into The Restaurant, an informal neighborhood eating place with seating for 150 patrons.

Other possibilities include warehouses. In Atlanta, two warehouses were joined together by a 28-foot-high atrium entrance and transformed into the restaurant now called Dailey's, owned by parent company The Peasant Restaurants. Inside, the structures were separated with steps that lead either down to a 100-seat lounge or up to the 200-seat main dining area. Dailey's still retains a warehouse look in some ways, with an exposed brick wall and some brick flooring in the midst of the restaurant's fine furnishings.

Cutting fixed costs

Occasionally, an established restaurateur's success may result in a unique opportunity to operate on a prime restaurant site. In midtown Manhattan, the Equitable Center, wanting to add fine restaurants to its development, approached restaurateur Tony May about operating an Italian restaurant on its premises. May and the Equitable Center subsequently teamed up to open Palio. The two parties have entered into a long-term leasing arrangement, giving the Tony May Group operating privileges in a prime location, while the Equitable Center retains ownership of the restaurant. A similar arrangement was set up between the Equitable Center and the restaurant Le Bernardin.

Other ways to cut fixed costs include streamlining an operation for carryout or delivery so that it requires little or no dining space. Often carryout operations can be run in small, odd-sized buildings or even basements in a busy downtown area. All that is needed is a kitchen and small service area in an area busy enough so customers can "trip over" the operation.

Finally, operators can decrease restaurant building costs by eliminating some of the risk at the time of startup. Prefabricated and modular buildings are a way of cutting back on construction costs and are particularly appropriate for a time of rapid expansion. Prefabricated buildings can be assembled in half the time of a normal startup and offer operators a uniform look for their buildings. Modular buildings, on the other hand, can significantly reduce the risk involved in a restaurant startup: If the restaurant is not successful, the building can be packed up and moved to another site.

Pat Roberson used a modular building for a Somerville Pizza Place location in suburban Memphis. "I couldn't lose. If the restaurant didn't do well, I could simply move the building to a new location," says Roberson. "If it did very well, I could build a larger, permanent structure if and when needed." Roberson enhanced the 1,440-square-foot building with walnut-paneled walls, rough-hewn ceiling beams, lattice-covered windows, hanging plants and lamps, to shed its modular look.

Expensive sites: a sign of the times

In the old days, the choices were simple. Restaurant operators decided where they wanted to be and then either bought or leased a site there. But the times have changed. As foodservice and the American real estate markets move toward the 1990s, creative use of restaurant sites is a crucial tool for success in the foodservice industry. ❑

COMPUTING A SALES PRICE FOR USED RESTAURANT EQUIPMENT

When it comes time to sell or buy a restaurant, how valuable are the used assets? This article highlights procedures that a potential seller or buyer could use to estimate the value of used retaurant equipment, based on the author's personal experiences with the sale and purchase of restaurants, periodic interviews and literature searches, and conversations with owners and operators.

by John Stefanelli

There are several ways to estimate the value of a restaurant's furniture, fixtures and equipment (FFE). The appropriate method to use depends upon the purpose of the appraisal.

☐ **Fair market value.** The fair market value of used FFE is computed when it is assumed that the assets will be sold as part of an ongoing business. Since everything will remain in place and in use, a fair market valuation procedure tends to yield a higher sales price than would be the case if a buyer were forced to remove and relocate the assets.

The sales price for an ongoing foodservice business is generally equal to 40 percent to 70 percent of the operation's trailing 12 months' food and beverage sales volume. Potential sellers will tend to set their asking prices at the upper end of this percentage multiple range while potential buyers normally will begin at the lower end when computing their offering prices.

The specific method used to perform a fair market valuation was discussed in detail in the April 1986 issue of ***Restaurants USA*** (formerly called ***NRA News***).

☐ **Replacement cost.** Under this valuation procedure it is necessary to identify each asset and determine how much it would cost to reproduce it. This approach is most commonly taken when an owner wishes to insure his or her assets.

It is particularly essential to determine the model numbers of each item to determine accurate current purchase prices. If these identifying characteristics are unavailable, it may be necessary to take pictures of the articles so that equipment dealers will have something tangible to consider before quoting purchase prices for new products.

After computing the reproduction costs of all FFE, the sales tax or use tax on the product should be added to the reproduction costs.

Finally, it may be necessary to factor in any freight charges and/or installation charges required by the equipment dealers. Some dealers include these charges in the purchase prices, but many do not.

As an example of this valuation procedure, assume that you wanted to compute the replacement cost of a 10 ft.-by-30 ft. walk-in refrigerator that includes a 10 ft.-by-10 ft. freezer section. The reproduction cost for this type of asset would be approximately $28,000. The sales tax, at 6 percent, would be $1,680, and the freight and installation needed would be about $3,000. Your best estimate, then, of the replacement cost for this walk-in would be $32,680.

☐ **Depreciated cost.** The depreciated cost valuation procedure is an extension of the replacement cost method. After computing the replacement costs, it is necessary to adjust for depreciation.

There are three types of depreciation that must be considered: physical deterioration, functional obsolescence and external obsolescence.

Physical deterioration is influenced by the age, life expectancy and condition of the FFE.

Assets that are more than five years old generally have lost 50 percent or more of their replacement cost. Anything over 10 years old usually has ex-

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John Stefanelli is a professor at the College of Hotel Administration, University of Nevada at Las Vegas, and author of ***The Sale and Purchase of Restaurants.***

ceeded its life expectancy and at best can be sold for scrap.

The effective condition of the items is most important. FFE can fall into one of five condition categories: superior, good, fair, poor and no value (scrap).

Functional obsolescence refers to the possibility that the equipment in question cannot perform as well as, or perform as many functions as, a more modern substitute. This is a critical factor for older mechanical items. Generally, a piece of mechanical equipment that suffers from any amount of functional obsolescence is not worth very much.

External obsolescence refers to the possibility that an asset may not be as fashionable or contemporary as similar new items available from FFE dealers. This is a critical factor for furniture and furnishings, but generally has little bearing on the value of fixtures and equipment.

As an example of this valuation procedure, assume that you are an insurance claims adjustor who needs to compute the depreciated cost of an electric, 2-bay, 3-quart portable deep fryer.

First you determine that the reproduction cost is about $1,240, including freight. The replacement cost is $1,240 plus sales tax. If the sales tax is 6 percent, the replacement cost for this asset is approximately $1,314.

Next you note that the item is five years old. This indicates that the deep fryer is worth no more than 50 percent of the replacement cost or about $657.

You then note that the item is in poor condition and that, in your opinion, its useful life expectancy is one year at best. Items in poor condition usually are worth no more than 5 to 10 percent of their replacement costs. In our example, then, the maximum value of this deep fryer is about $131 ($1,314 x .10).

The final step is to consider the effect that functional obsolescence and external obsolescence might have on our estimate of the most likely value for the deep fryer. As portable deep fryers go, a new item probably will not offer any significant improvement in performance. Nor will a new substitute be demonstrably more fashionable than the used item.

If you want to be generous in your appraisal, you would note that this particular deep fryer is worth about $131. A pessimistic valuation, though, would yield a most likely value of approximately $65 ($1,314 x .05).

□ **Liquidation value.** A liquidation value is usually the unfortunate aspect of a failed business venture. The process begins when an unpaid lender or landlord petitions a court to order a liquidation of the assets. However, a restaurant owner who wants to close down and sell off the assets piecemeal also would expect to earn no more than the liquidation value for these items. In my experience, the liquidation value of FFE is the most difficult one to compute. It requires a certain amount of speculation, in that you must put yourself in the shoes of a prospective buyer who is shopping for a bargain.

As a general rule of thumb, FFE that are in reasonably good condition and are liquidated in an orderly fashion, can often yield about 25 percent of their reproduction costs. If, however, these items are sold in a hectic forced liquidation proceeding, they will normally yield no more than 10 percent of reproduction costs.

In a liquidation, the relevant costs are the reproduction costs, not the replacement costs since sales and use taxes, freight and installation are not considered. Buyers purchase the assets in an as-is, where-is condition from a private seller. In my experience, the state tax authorities have never collected sales or use taxes on these types of sales. And since removal is at the buyer's expense, freight and installation are not considered.

The factors that influence the estimate of value of assets that will be liquidated are: condition and portability of the items, and the location of the facility where the sale takes place.

As noted above, there are five condition categories: superior, good, fair, poor, and no value (scrap).

An asset is very portable if a person can pick it up and walk out with it. For instance, a stack chair would fall into this classification. An asset is not portable, or is considered a "heavy" asset, if it takes two or more persons to carry it out or if you need a hand truck, dolly, etc., to remove it from the premises. An example would be a Hobart 80-quart mixer.

An asset also is not portable if it requires considerable work to remove it from the premises and/or the buyer would need to modify it considerably in order to adapt it for use in another property. For instance, an Ansul fire protection system would be considered a "custom" item that would not be as salable as more portable products.

Portability is a very, very critical factor. Potential buyers will be reluctant to pay very much if they know that removal of the assets will be costly and/or very inconvenient.

The location of the sale is equally important. If you are in a major metropolitan area, you can expect a relatively large pool of prospective buyers. If you are located in a small town or other similar rural areas, the pool diminishes very rapidly. Furthermore, it would appear that the only potential buyers who show up at a liquidation sale in a small town are used equipment dealers. These men and women typically will bid no more than 5 to 10 percent of reproduction costs, since their objective is to buy and resell the assets. Restaurant owners shopping for a bargain, though, might bid as much as 25 to 33 percent of the reproduction costs.

As an example of this valuation procedure, assume that you are the hopeful seller of the portable deep fryer noted above, and that you are holding the sale at your warehouse in the country.

The location of the sale indicates that used equipment dealers will outnumber other types of potential buyers. Since the asset is in poor condition, the most you could receive for it would be about $62 ($1,240 x .05). If you absolutely had to sell it, say because a bankruptcy judge ordered an auction of all items to the highest bidder, with no minimum bid, chances are you would receive much less than $62.

In sum

Valuation procedures are subject to considerable opinion, discussion and interpretation. The procedures outlined and discussed in this article represent my personal approach to the valuation of used FFE. ❑

A Classic Revisited

GETTING TO YES

When it comes time to negotiate a lease contract or salary, using objective criteria could get you closer to a resolution.

by Roger Fisher and William Ury

However well you understand the interests of the other side, however ingeniously you invent ways of reconciling interests, however highly you value an ongoing relationship, you will almost always face the harsh reality of interests that conflict. No talk of "win-win" strategies can conceal that fact. You want the rent to be lower; the landlord wants it to be higher. You want the goods delivered tomorrow; the supplier would rather deliver them next week. You definitely prefer the large office with the view; so does your partner. Such differences cannot be swept under the rug.

Deciding on the basis of will is costly

Typically, negotiators try to resolve such conflicts by positional bargaining—in other words, by talking about what they are willing and unwilling to accept. One negotiator may demand substantive concessions simply because he insists upon them: "The price is $50 and that's that." Another may make a generous offer, hoping to gain approval or friendship. Whether the situation becomes a contest over who can be more stubborn or a contest over who can be more generous, this negotiating process focuses on what each side is willing to agree to. The outcome results from the interaction of two human wills—almost as if the negotiators were living on a desert island, with no history, no customs and no moral standards.

From the book *Getting to Yes* by Roger Fisher and William Ury, published by Houghton Mifflin Company, Boston,
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One standard of legitimacy does not preclude the existence of others.

Trying to reconcile differences on the basis of will has serious costs. No negotiation is likely to be efficient or amicable if you pit your will against theirs, and either you have to back down or they do. And whether you are choosing a place to eat, organizing a business or negotiating custody of a child, you are unlikely to reach a wise agreement as judged by any objective standard if you take no such standard into account.

If trying to settle differences of interest on the basis of will has such high costs, the solution is to negotiate on some basis independent of the will of either side—that is, on the basis of objective criteria.

Developing objective criteria

Carrying on a principled negotiation involves two questions: How do you develop objective criteria, and how do you use them in negotiating?

Fair standards. You will usually find more than one objective criterion available as a basis for agreement. Suppose, for example, your car is demolished and you file a claim with an insurance company. In your discussion with the adjuster, you might take into account such measures of the car's value as (1) the original cost of the car less depreciation, (2) what the car could have been sold for, (3) the standard "blue book" value for a car of that year and model, (4) what it would cost to replace that car with a comparable one, and (5) what a court might award as the value of the car.

In other cases, depending on the issue, you may wish to propose that an agreement be based upon:

- ☐ market value
- ☐ what a court would decide
- ☐ precedent
- ☐ moral standards
- ☐ scientific judgment
- ☐ equal treatment
- ☐ professional standards
- ☐ tradition
- ☐ efficiency
- ☐ reciprocity
- ☐ costs, etc.

At a minimum, objective criteria need to be independent of each side's will. Ideally, to assure a wise agreement, objective criteria should be not only independent of will but also both legitimate and practical.

Objective criteria should apply, at least in theory, to both sides. You can thus use the test of reciprocal application to tell you whether a proposed criterion is fair and independent of either party's will.

Fair procedures. To produce an outcome independent of will, you can use either fair standards for the substantive question or fair procedures for resolving the conflicting interests. Consider, for example, the age-old way to divide a piece of cake between two children: one cuts and the other chooses. Neither can complain about an unfair division.

A variation of the procedure of "one cuts, the other chooses" is for the parties to negotiate what they think is a fair arrangement before they go on to decide their respective roles in it. As you consider procedural solutions, look at other basic means of settling differences: taking turns, drawing lots, letting someone else decide and so on.

Negotiating with objective criteria

Having identified some objective criteria and procedures, how do you go about discussing them with the other side? Firmly but flexibly.

1. Frame each issue as a joint search for objective criteria. If you are negotiating to buy a house, you might start off by saying: "Look, you want a high price and I want a low one. Let's figure out what a *fair* price would be. What objective standards might be most relevant?" You and the other side may have conflicting interests, but the two of you now have a shared goal: to determine a fair price. You might begin by suggesting one or more criteria yourself—the cost of the house adjusted for depreciation and inflation, recent sale prices of similar houses in the neighborhood or an independent appraisal—and then invite the seller's suggestions.

Ask "What's your theory?" If the seller starts by giving you a position, such as, "The price is $55,000," ask for the theory behind that price: "How did you arrive at that figure?" Treat the problem as though the seller too is looking for a fair price based on objective criteria.

Agree first on principles. Before even considering possible terms, you may want to agree on the standard or standards to apply.

Each standard the other side proposes becomes a lever you can then use to persuade them. Your case will have more impact if it is presented in terms of their criteria, and they will find it difficult to resist applying their criteria to the problem. "You say Mr. Jones sold the house next door for $60,000. Your theory is that this house should be sold for what comparable houses in the neighborhood are going for, am I right? In that case, let's look at what the house on the corner of Ellsworth and Oxford and the one at Broadway and Dana were sold for." What makes conceding particularly difficult is having to accept someone else's proposal. But if they suggest the standard, their deferring to it is not an act of weakness but an act of strength, of carrying out their word.

2. Reason and be open to reason. What makes the negotiation a *joint* search is that however much you may have prepared various objective criteria, you come to the table with an open mind. In most negotiations, people use precedent and other objective standards simply as arguments in support of a position. Going one step further, some people begin by announcing that their position is an issue of principle and refuse even to consider the other side's case. "It's a matter of principle" becomes a battle cry in a holy war over ideology. Practical differences escalate into principled ones, further locking in the negotiators rather than freeing them.

This is emphatically *not* what is meant by principled negotiation. Insisting that an agreement be based on an objective criterion does not mean insisting that it be based solely on the criterion *you* advance. One standard of legitimacy does not preclude the existence of others. What the other side believes to be fair may not be what you believe to be fair. You should behave like a judge; although you may be predisposed to one side (in this case, your own), you should be willing to respond to reasons for applying another standard or for applying a standard differently. When each party is advancing a different standard, look for an objective basis for deciding between them, such as which standard has been used by the parties in the past or which standard is more widely applied. Just as the substantive issue itself should not be settled on the basis of will, neither should the question of which standard applies.

In a given case there may be two standards (such as market value and depreciated cost) which produce different results, but which both parties agree seem equally legitimate. In that case, splitting the difference or otherwise compromising between the results suggested by the two objective standards is perfectly legitimate. The outcome is still independent of the will of the parties.

If, however, after a thorough discussion of the merits of an issue you still cannot accept their proposed criteria as the most appropriate, you might suggest putting them to a test. Agree on someone you both regard as fair and give him or her a list of the proposed criteria. Ask the person to decide which are the fairest or most appropriate for your situation. Since objective criteria are supposed to be legitimate and because legitimacy implies acceptance by a great many people, this is a fair thing to ask. You are not asking the third party to settle your substantive dispute—just to give you advice on what standard to use in settling it.

The "getting to yes" negotiating method

1. Separate the people from the problem.
2. Focus on interests, not positions.
3. Invent options for mutual gain.
4. Insist on using objective criteria.

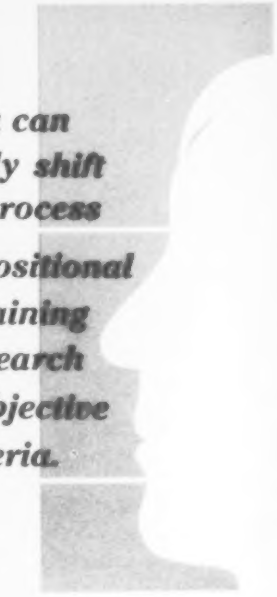
The difference between seeking agreement on the appropriate principles for deciding a matter and using principles simply as arguments to support positions is sometimes subtle, but always significant. A principled negotiator is open to reasoned persuasion on the merits; a positional bargainer is not. It is the combination of openness to reason with insistence on a solution based on objective criteria that makes principled negotiation so persuasive and so effective at getting the other side to play.

3. Never yield to pressure. Pressure can take many forms: a bribe, a threat, a manipulative appeal to trust or a simple refusal to budge. In all these cases, the principled response is the same: Invite them to state their reasoning, suggest objective criteria you think apply, and refuse to budge except on this basis. Never yield to pressure, only to principle.

Who will prevail? In any given case, it is impossible to say, but in general you will have an edge. For in addition to your willpower, you also have the power of legitimacy and persuasiveness of remaining open to reason. It will be easier for you to resist making an arbitrary concession than it will be for them to resist advancing some objective standards. A refusal to yield except in response to sound reasons is an easier position to defend—publicly and privately—than is a refusal to yield combined with a refusal to advance sound reasons.

At the least, you will usually prevail on the question of process; you can usually shift the process from positional bargaining to a search for objective criteria. In this sense, principled negotiation is a dominant strategy over positional bargaining. One who insists that negotiation be based on the merits can bring others around to playing that game, since that becomes the only way to advance their substantive interests.

On substance, too, you are likely to do well. Particularly for those who might otherwise be browbeaten by a positional bargainer, principled negotiation allows you to hold your own and still be fair. Principle serves as your hardhearted partner who will not let you yield to pressure. It is a form of "right makes might."

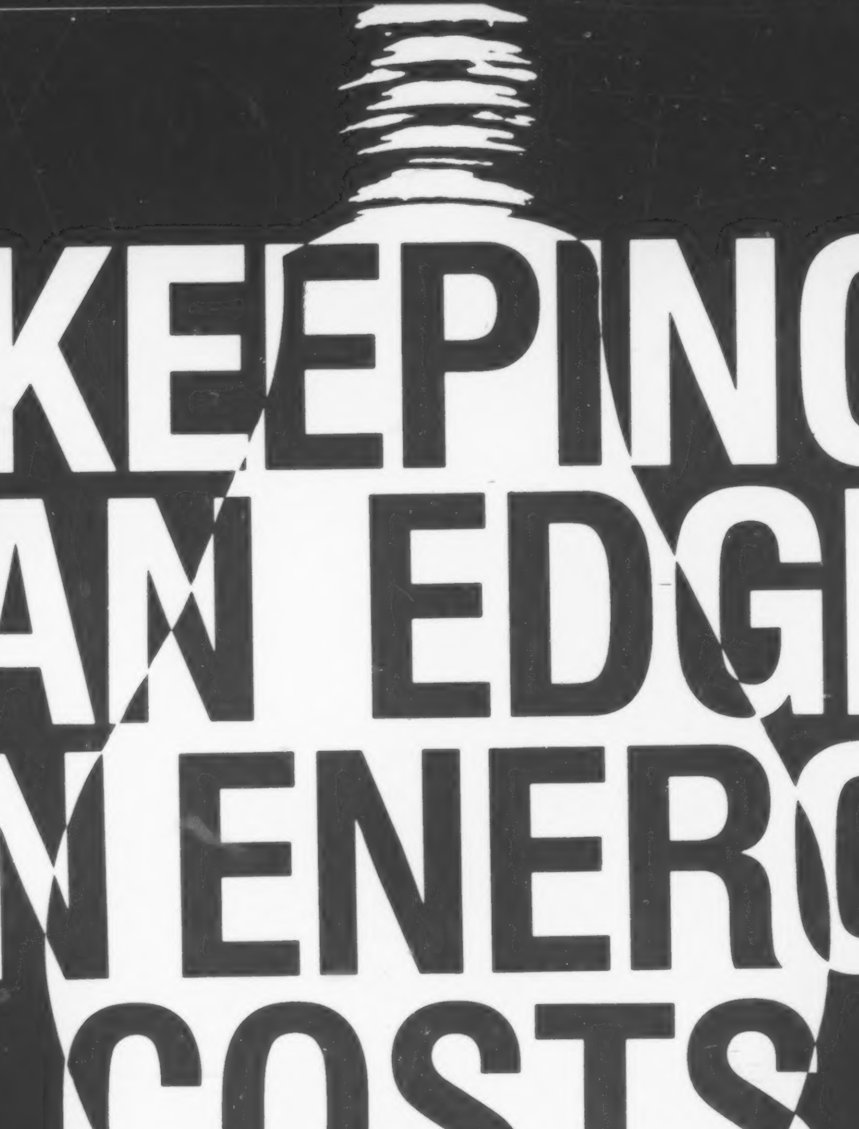


You can usually shift the process from positional bargaining to a search for objective criteria.

If the other side truly will not budge and will not advance a persuasive basis for their position, then there is no further negotiation. You now have a choice like the one you face when you walk into a store that has a fixed, nonnegotiable price on what you want to buy. You can take it or leave it. Before leaving it, you should see if you have overlooked some objective standard that makes the other side's offer a fair one. If you find such a standard and if you would rather reach agreement on that basis than have no agreement, do so. The availability of that relevant standard saves the cost of giving in to an arbitrary position.

If there is no give in the other side's position and you find no principled basis for accepting it, you should assess what you might gain by accepting their unjustified position rather than going to your best alternative. You should weigh that substantive benefit against the benefit to your reputation as a principled negotiator that could come from walking away.

Shifting the discussion in a negotiation from the question of what the other side is willing to do to the question of how the matter ought to be decided does not end argument, nor does it guarantee a favorable result. It does, however, provide a strategy you can vigorously pursue without the high costs of positional bargaining. ❑



KEEPING AN EDGE ON ENERGY COSTS

by Julie Burman

When restaurant owners in the Pacific Northwest were given a chance to cut electricity bills through a unique research program, a quickservice seafood chain—Skipper's—was first in line.

Officials at the 215-unit Skipper's chain were already convinced that efficiency pays. Last year, Skipper's energy bill dropped by $350,000 because the company had implemented measures as simple as increasing roof insulation and as sophisticated as linking all buildings to a monitoring system at the Bellevue, Washington, headquarters.

That's the kind of success story the Bonneville Power Administration wants with Energy Edge, a research project promoting super-efficient commercial buildings.

Although restaurants are the smallest buildings in the program, they were actively recruited because they are high-intensity energy users and have been largely overlooked in past energy studies.

Four restaurants—a new unit in each of the Skipper's, McDonald's and Burger King chains, plus the fullservice J.B. Steamers—are part of the program. They were built with energy-saving features, designed to reduce energy use by at least 30 percent. Bonneville, the Northwest's largest electrical wholesaler, picked up the tab for the extra measures, which go well beyond the industry norm. It is spending $10 million for

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Julie Burman is public affairs officer for the Washington State Energy Office in Olympia, Washington.

design modifications, energy-saving features and the monitoring of 29 new commercial buildings selected for the Energy Edge program. The largest is a 62-story Seattle office tower.

In return, Bonneville is collecting research data. In each restaurant, 30 to 40 sensors track how well each energy-saving feature performs. Data feeds into an on-site computer 24 hours a day, and will continue to do so for three years.

The results will be ammunition for Bonneville which will use the data to convince other developers to install energy-saving equipment on their own. By aggressively promoting conservation, it hopes to minimize the need for costly new generating plants. Bonneville not only reimburses builders for the extra costs, but also provides technical assistance through field agencies. The Washington State Energy Office and Portland Energy Conservation, Inc., are working with the restaurant developers.

Energy cuts boost profits

Operators have much to gain from energy-efficient buildings. Although energy accounts for only 5 percent of an average fast food restaurant's operating budget, any increased efficiency can boost profit margins. According to industry observers, energy is one of the more controllable operating factors. For example, a typical McDonald's in the Northwest spends about $30,000 annually on electricity, according to Ed Ladewski, staff director of building systems at McDonald's' Oak Brook, Illinois, headquarters.

The Energy Edge McDonald's in North Bend, Washington, is expected to use 30 percent less electricity for heating, cooling, lighting and hot water than one that only meets minimum building code requirements—a tidy savings. This is the minimum targeted percentage for all participants in the project.

Since the region's codes generally are more energy efficient than the national average, that means the Energy Edge savings could be even greater in other parts of the country.

Curbing rising costs

Why are businesses interested? One key reason is to offset operating costs. "The increase in California energy costs in the last year has equaled the total per-kilowatt cost in Washington state," says Mark Pass, Skipper's vice president for real estate and development. "It hurts. It obviously affects profitability."

A 1984-85 study of seven East Coast restaurants, ranging from fast food to fullservice, found that climate control accounted for 28 percent of energy use. The other averaged results were hot water, 17.8 percent; lighting, 13.5 percent; and refrigeration, 5.8 percent. Cooking equipment accounted for the remaining 34.9 percent.

These results were kept in mind when the Energy Edge project was developed. For the Energy Edge restaurants, heat recovery systems are the largest energy-saving factor. The equipment accounts for half of the required 30 percent drop in electrical use; cooking equipment isn't included in the calculation of energy savings.

Heat recovery is expensive, but payback is rapid. McDonald's' specially designed, air-to-air heat recovery system can trim $4,000 to $5,000 annually from electricity bills—an impressive rate on a $12,000 to $15,000 investment. The system is optional, and has been available to McDonald's franchises for about four years.

In addition to the heat recovery system, the other Energy Edge components are a super ventilator for kitchen cooling, a heat-pump hot water heater and photocells to control exterior lights.

Although lighting uses a smaller percentage of electricity than a climate control, conversion costs are low. Restaurant Management Northwest, the largest Burger King franchise west of the Mississippi River, is switching from 75-watt flourescent tubes to super-efficient 36-watt tubes, at a retrofit cost of $500 per restaurant.

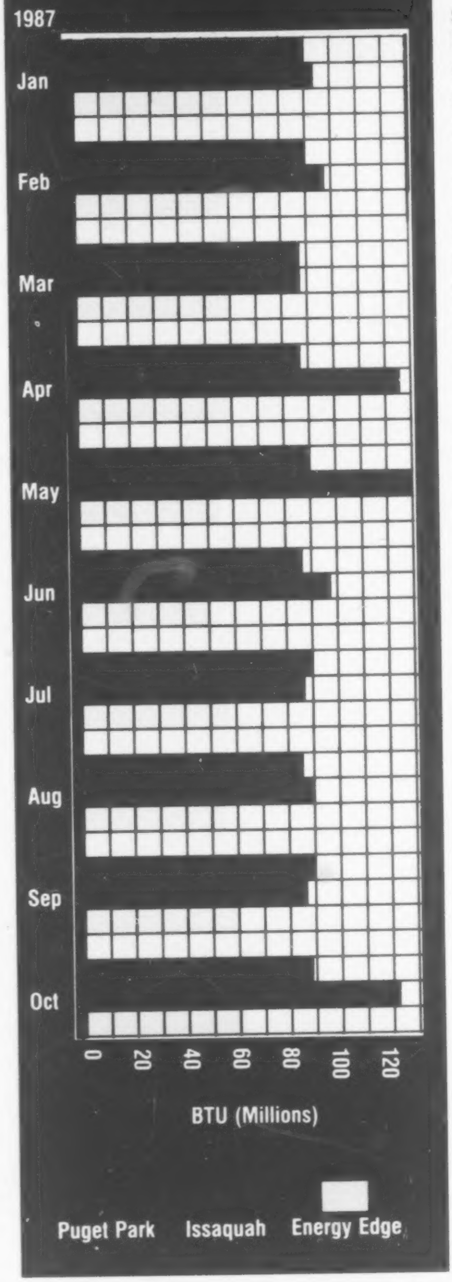
Not all innovations are practical. Extra insulation makes sense in areas with cold winters, but too much insulation may trap heat inside restaurants in hot climates, putting an extra load on air conditioning.

Skipper's once experimented with motion sensors for restroom lighting. "People who remained still for a long time ended up in the dark," Pass said. Needless to say, that feature wasn't expanded to other locations.

Passing the computer test

After energy-saving measures were selected for a site, a computer model was set up to see if the measures could cut energy use by the required

Comparing similar climates and operating hours at selected Skipper's restaurants



30 percent. The comparison base was a similar, hypothetical restaurant that met minimum Northwest building codes but did not have the extra features.

Computer modeling is a series of mathematical calculations, and is most commonly used in designing large office buildings. It's a relatively new application for restaurants, and generally costs $3,000 to $5,000 for a small facility. "We simulate how a building will use energy, such as square footage of glass area, wall insulation value, how much heat comes from the grill, number of people in and out, and the hours of use," explains Bruce Poulin, of North American Energy Services in Bellevue, which did the modeling for McDonald's.

McDonald's' most efficient store

Although McDonald's routinely tests energy-efficient systems at a Chicago restaurant, its Energy Edge store in North Bend will be the chain's most efficient unit. "We've had these devices in different stores, but not collectively in one major package," notes Ken Clement, regional vice president in Bellevue.

The North Bend site is expected to be 30 to 40 percent more efficient than a location only satisfying minimum building codes. The savings is estimated at 110,000 kilowatt-hours (KWH) annually, or $4,200.

The only measure being tested for the first time at North Bend is interior photocells. They "read" the amount of light coming through triple-insulated skylights and adjust the fluorescent lighting in various dining zones.

As part of the lighting improvements, standard four-tube fixtures were replaced with one and two-tube silver reflector fixtures, dropping electrical use from 1.85 watts per square foot to 1.1 watts.

Skipper's' energy management system

Skipper's' 2,500-square-foot research site in Seattle is expected to cut energy use 50 percent over a code-only restaurant. That's a savings of 75,000 KWH annually or $4,000.

Like McDonald's, the chain already uses most of the energy-saving features in some other locations. But Skipper's' key element is its unique energy management system (EMS). The computerized system, which Skipper's has installed in all its locations, controls lighting, refrigeration, exhaust/makeup air and heating and air conditioning.

Skipper's began installing the system in all restaurants in 1984, and has already upgraded it. Such automated controls are now standard in office buildings, but they have rarely been used in smaller structures.

The system costs $15,000 per restaurant, Pass explains, "but the payback is very fast—within three years."

"It takes the control of the energy usage out of the hands of the local manager and puts the monitoring system in our office," he says. "We can tap into any restaurant anywhere in the country at any time and discover if an energy package is functioning properly."

For example, an air-conditioning loss may indicate that a door has been propped open for a delivery;

LIGHTING MODER

Almost two of every three nonresidential buildings in America are 25 years old or older. Although recent technological progress has made these buildings obsolete in many respects, most are structurally sound. As a consequence, building modernization often is a more practical alternative than building replacement. In fact, since 1983, owners have spent more on building modernization than new construction.

Lighting frequently is one of the principal systems modified as part of overall building modernization programs. In some instances it is the only system affected. The utility-cost savings can be substantial because contemporary lighting is so much more efficient than what was available just 10 years ago. As impressive as these savings may be, however, improved lighting can generate bottom-line benefits whose value makes utility-cost savings seem small.

To understand the full potential value of modernizing lighting systems, consider how they are used in and around a building. Those who work in the building require lighting for virtually every task they perform. The better the lighting is, the more it supports visual performance. Better visual performance can increase workers' productivity, and the value derived from just a 3 or 4 percent productivity increase often is far more than the *total cost* of annual lighting system operation and maintenance. The same new lighting that provides increased employee productivity can also be 50 percent less expensive to operate and maintain.

Lighting can also be applied to enhance aesthetics, and the same outdoor lighting that beautifies a building and its environs at night can also be used to improve safety and security.

The key to deriving maximum return from an investment in lighting modernization lies in the approach used to obtain it. Two approaches are available: *lighting energy conservation* and *lighting management*. There is a world of difference between them. Lighting energy conservation but if the loss continues for an hour, Pass can pick up a phone and find out what is happening.

The downside is that managers can feel that "Big Brother" is looking over their shoulders, Pass acknowledges. But bonuses are based on profitability, and managers' attitudes change when they realize the system helps to cut costs.

At Skipper's, the only new Energy Edge feature is the waste heat recovery system, which uses waste heat from refrigeration and ice machine compressors to preheat air for the dining area.

Other measures are increased roof insulation, fluorescent lighting and an improved kitchen range hood.

Burger King is newest site

Skipper's isn't the only restaurant keeping a computer watch on its Energy Edge location. Restaurant Management Northwest, based in Portland, will be able to remotely check its new Burger King in nearby Vancouver, Washington.

The 2,600-square-foot location is the last of the Energy Edge restaurants being built, and it opens this summer. Energy savings are estimated at 34 percent.

Management Northwest already has computerized panels in many of its locations to control lights, exhaust hoods and gas valves. Other Energy Edge measures are a specially designed exhaust hood, increased roof and wall insulation, a vestibule and, of course, a heat pump. No decision has been made on making the heat pump a standard item in all new locations. "We want to get a year under our feet first," says Jack Anderson, Management Northwest's maintenance director.

Retrofitting the heat pump is impractical, costing $18,000 to $20,000, Anderson notes. However, the cost of installation in a new building is only a fraction of that cost.

Steamers tries unique pump

A heat pump using a saltwater exchange, rather than outside air or fresh water, is the unique energy element in Steamers. The 5,600-square-foot restaurant is built on pilings over Budd Inlet in Olympia, Washington. "We basically would have put in the same kinds of things without Energy Edge, but we wouldn't have gotten into the experimental aspects," says owner John Senner.

The Energy Edge measures, such as air-to-air heat recovery for ventilated air and economy cooling, encompass the entire 12,000-square-foot building, of which Steamers occupies the lower floor. Senner anticipates the energy savings will be $5,900 annually over a building without any extra energy features.

Unlike the chains, Senner cannot directly apply the Energy Edge measures to his other three restaurants, such as The Grainery in Billings, Montana, which are in remodeled historical buildings.

But Senner has found one measure that works in any building. "We try to train employees to turn off lights and fans when they're not needed," he says. Since there's no capital investment, the payback is guaranteed.

Restaurants wait for data

An initial report on Energy Edge results is expected late next year, with restaurant monitoring continuing into the early 1990s.

Skipper's already is well ahead of most restaurants in cutting energy costs, and the Energy Edge data are not expected to lead to any major changes. "It should help confirm what we think we already know," says in-house architect Will Harris.

Restaurant Management Northwest is not planning any major energy equipment changes in its Burger King locations until research results are in.

McDonald's is continuing in-house research, but hopes that Energy Edge will convince more franchisees to invest in optional energy-saving equipment. Although measures such as the super-ventilating kitchen hood are standard items and optional parking lot lighting controls are well accepted, only 200 of the 7,000 domestic McDonald's' opted for the more costly heat recovery system. Since 350 to 400 new stores open each year, "We want to show people that we do have devices that can save energy; and except for the interior lighting photocells, these are available to McDonald's operators right now," Ladewski says.

Energy: bigger factor in the 1990s

Although energy considerations are low on the list of priorities, operators may have a change of attitude as energy prices continue upward. The Department of Energy is predicting that oil prices will climb, with shortages likely in the mid-1990s, although these will not be as disruptive as those of the 1970s.

A small number of restaurant operators already are preparing. Those looking down the road at the inevitable increases are thinking in terms of efficiency, and the Energy Edge program is one example. ❑

NIZATION

concentrates on utility savings, while lighting management emphasizes the functions that lighting can perform. By designing and installing the system best-suited to perform these functions, and by relying on modern, energy-efficient system components, a full measure of lighting benefits—including low utility costs—can be obtained.

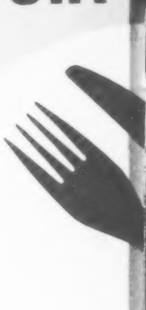
The National Lighting Bureau has prepared a guide—"Profiting from Lighting Modernization"—for lighting system decisionmakers who do not have lighting systems design expertise. By knowing more about the benefits of effective lighting and the components that provide it, they can develop lighting system objectives and communicate them effectively to those they retain for design.

To order this publication, send $5, which includes postage and handling, to The National Lighting Bureau, 2101 L Street, N.W., Suite 300, Washington, DC 20037.

—The National Lighting Bureau

MEALTIME

AU REVOIR



Oh, the power of the simple oyster fork! Who would ever imagine that such a harmless utensil or its relatives, such as the fish knife and the asparagus tongs, could bring mighty giants to their knees? But it's true. As many restaurateurs can attest, countless business executives—the same ones who waltz through million-dollar deals or effortlessly conquer complicated computers—sweat and writhe when confronted with an elaborate placesetting or an unfamiliar dining situation.

These high-powered pros didn't make it to the top by throwing in the napkin when confronted with a problem, however; and now they have begun to take their elbows off the table and fight back. Leading corporations increasingly are turning to etiquette experts in the hopes that their arsenal of savoir-faire will keep employees' fingers out of the pate.

What does all this mean to the restaurateur? An increasingly etiquette-conscious diner may mean that operators and their staffs will have to go back to school themselves, to prepare for a more sophisticated and possibly more demanding customer.

Seminars and videos

Who are these mavens who are introducing executives to the intricacies of the dining tables? One such organization is The Executive Training Institute in Taunton, Massachusetts, where hundreds of individuals have completed an executive etiquette course since the parent company, The Executive Etiquette Company, first opened its doors almost four years ago. According to Linda and Wayne Phillips, co-owners of the institute, every business is viewed as a potential customer, and even restaurants and hotels are numbered among their clients.

The Executive Training Institute offers two different etiquette courses. The first, usually given at Boston's Hotel Lafayette, is an in-depth program spanning two days, limited to six attendees. Usually, the program is attended by prospective etiquette consultants and corporate personnel managers and directors of training. The other course, which consists of on-site training at the corporate site, is usually held in the company's conference room, is limited to 20 people and is three hours long.

These courses aren't cheap, however—businesspeople are shelling out some serious clams to learn how to eat their oysters. In general, etiquette experts can receive upwards of $2,500 or more for full-day sessions or those given during weekend retreats. But individuals interested in a bargain might soon be able to get an at-home lesson, Jane Fonda-style. Marjabelle Young Stewart, the owner of a franchise called White Gloves and Party Manners Schools, contributor to an etiquette segment on television's "Hour Magazine" and author of numerous etiquette books, soon will release a videotape entitled "Power Polish for Professionals," which will be available to the public for $30. And for those who like to read the book before they see the movie, early next spring Doubleday will publish *The Concise Guide to Executive Etiquette*, by Wayne and Linda Phillips.

Return to style

Why are these etiquette courses necessary? Linda Phillips of the Executive Etiquette Training Institute believes that the decline of etiquette training in the home has led to the current need for etiquette programs. "There was a time," Phillips says, "when etiquette was taught at home or in boarding schools. But now mother is not at home to say 'Get your elbows off the table,' because her elbows are on the work desk." Phillips also points to the popularity of fast food and to a Rand Corporation Population Research Center study that found that families only eat as a unit once a week. Seldom, notes Phillips, are fish knives and dessert spoons an integral part of these occasions.

Equally important to the rise of these etiquette programs, however, is an overall return of graciousness at the dinner table. During the past decade, the public has become sensitized to presentation styles by the appearance of nouvelle cuisine, and elegant home entertaining is undergoing a surge in popularity.

How do your table manners stack up?

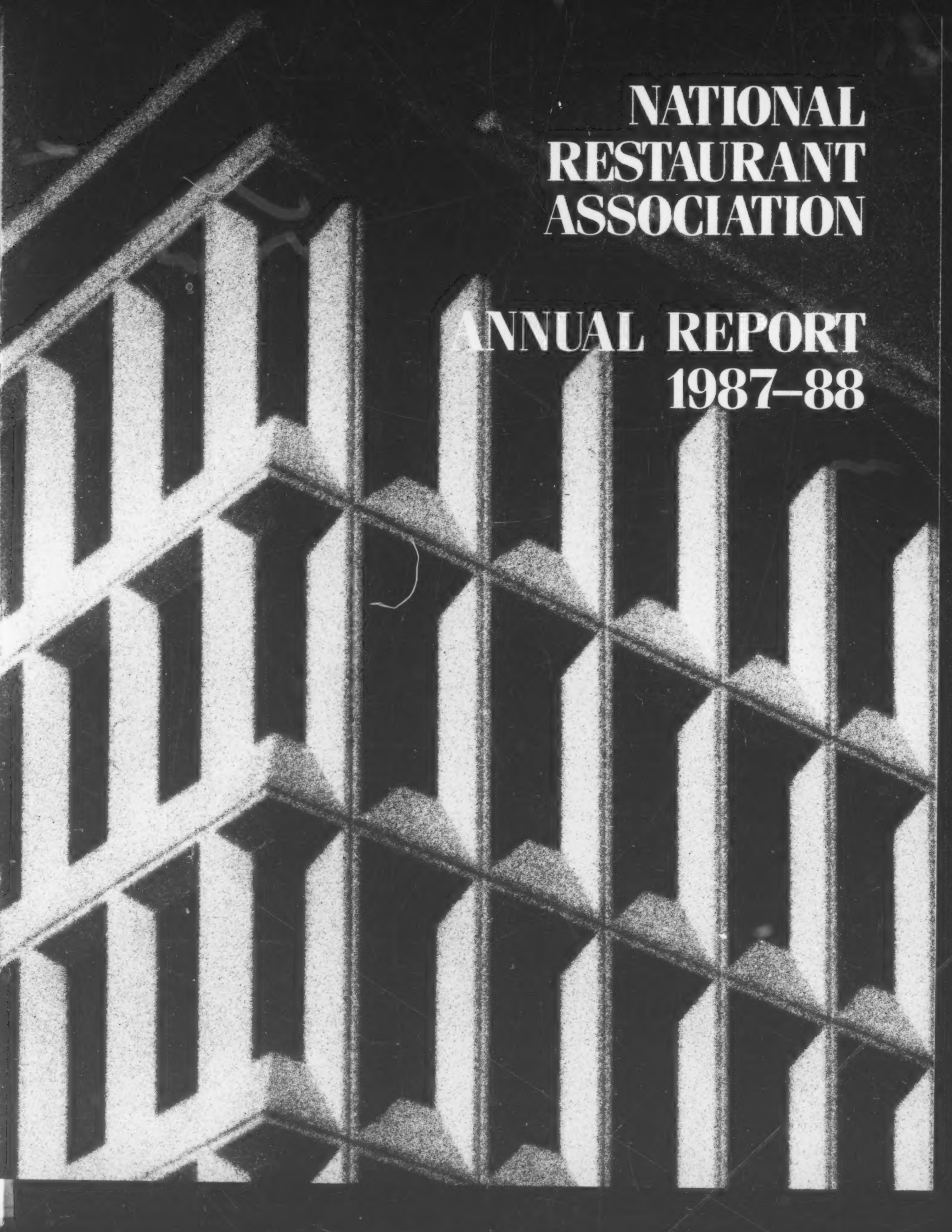
Answer true or false to these common dining situations.

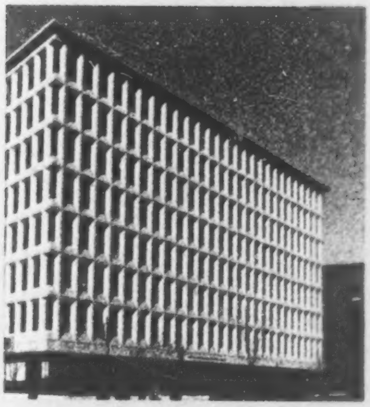
1. Resting your elbows on the table is acceptable today.
2. You will generally be safe if you select your glassware and flatware from the outside in.
3. It is acceptable to drink from a consomme bowl.
4. Asparagus may be eaten with the fingers.
5. Sipping liquid while food is in the mouth is acceptable.
6. At a business meal, one should only order items that are easy to eat.
7. It is acceptable to lift the half shell of a clam, mussel or oyster to the lips to sip its liquid.

Answers: 1. False; 2. True; 3. True, if the consomme is served in a two-handled soup bowl; 4. True, if the stalks are firm and unsauced; 5. False; 6. True; 7. True, provided the diner does not slurp.

NATIONAL RESTAURANT ASSOCIATION

ANNUAL REPORT 1987–88





Acquired in 1988, the National Restaurant Association Building in Washington, D.C., will serve as a solid symbol of our industry's presence in the nation's capital and our determination to improve the conditions under which we do business.

A letter from
Michael J. Grisanti
Chairman of the Board
and President, 1987–88

The National Restaurant Association adopted a powerful symbol this year when we purchased our new headquarters building in downtown Washington, D.C. The size and location of our headquarters underscore the national prominence that the association has assumed in its role as protector, educator and promoter of the foodservice industry.

This was another year of strong growth for both the foodservice industry and the National Restaurant Association. In 1987 the industry experienced its seventh consecutive year of real economic growth, and we're headed for our eighth in 1988. The association now has more than 13,000 members representing more than 100,000 foodservice outlets.

Nowhere was this growth more evident than at this year's National Restaurant Association Show in Chicago. More than 103,000 people attended this year's event, which featured 1,900 exhibits, dozens of educational programs and a chance for operators to meet and exchange ideas.

One of the results of this industry's success is a greater role for the National Restaurant Association. We have responded to industry growth with a comprehensive set of programs in education, promotion and government affairs.

The association remains the leading source of information about our industry. Training and recruitment of employees have reached new importance in today's foodservice operations, and the association is rapidly expanding its educational offerings. Promotion, too, is of utmost importance when trying to attract quality employees to the industry. We have worked hard to position the industry and its views in a positive light to the news media.

Great emphasis was placed on government affairs in the past year. It seems that our industry's success has placed us in a vulnerable position with regard to regulation and restrictive legislation. Consequently, we have been forced to battle many issues affecting foodservice. We have won some battles, many are still in limbo, and some are still to come. By enlarging our staff and engaging independent lobbyists to assist us, the association has sent a signal to the government and to special interest groups that we will not sit back and accept misguided legislation without a fight. More importantly, we laid the foundation for a strong grass roots political campaign that should prove to be our most effective weapon yet in getting the foodservice industry's voice heard in Washington.

And, of course, one of the most exciting accomplishments of the year was the selection and purchase of the new headquarters building in downtown Washington, D.C. The staff moved into the top three floors of the building in March, and we will rent out the remaining floors. The desirable downtown location makes the structure a good financial investment and a symbol of our industry's continuing determination to achieve recognition and prominence in the nation's capital.

EDUCATION

The Educational Foundation

Last year the association's educational programs department consolidated with the National Institute for the Foodservice Industry to create the Educational Foundation of the National Restaurant Association. The result is an organization dedicated to providing seminars, conferences, educational materials and scholarships to professionals and students who are seeking to enhance their careers in the hospitality industry.

In the past year the Educational Foundation reached its broadest audience yet by offering a set of programs including college-level courses, home-study courses and a popular slate of seminars. The Foundation also expanded its video training programs last year to a total of 15 tapes, including a new series on wine service. These video programs help operators assemble or supplement their own training programs.

The Foundation also sponsors nationwide conferences that focus on particular subjects or types of operations. One of the most successful conferences of the year was the association's Independent Foodservice Operator's (INFO) Conference. Held in Miami, this conference focused on problems and challenges specific to the situations of independent operators. Featured speakers at the INFO Conference included Robert Patterson, managing partner at Laventhol & Horwath, and Denise Fugo, co-owner of Sammy's Restaurant in Cleveland.

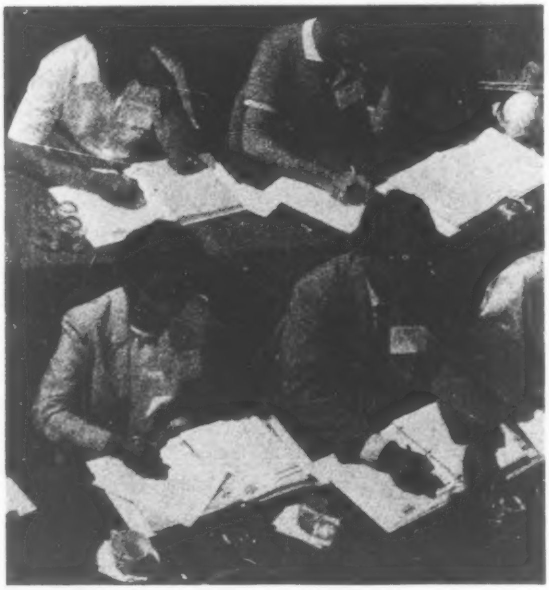
The industry's largest scholarship and grant program is administered by the Foundation. In the past year the Foundation distributed 178 awards—valued at $226,000—aimed at enhancing the recipients' knowledge of the hospitality industry. These awards include scholarships to students as well as fellowships and work-study grants to teachers. Leading industry companies and associations fund the Foundation's awards.

In addition to carrying out its educational role, the Foundation vigorously promoted career opportunities to help recruit new workers. Career materials were distributed to more than 40,000 high school students, counselors, teachers, parents and foodservice operators.

Research

The association's Research Committee enhanced the education effort by tackling a variety of subjects in preparing timely research projects and publications. Especially popular this year was the *Survey of Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry.* Other studies focusing on such issues were also undertaken in a year in which labor issues rose to the forefront. Along these lines, the *Current Issues Report* "Foodservice and the Labor Shortage" examined the results of several studies in looking at the severity of the labor shortage and how industry employment has changed as a result.

The Information Service and Library (ISAL) fielded over 25,000 inquiries last year on subjects ranging from how to start up a restaurant to nutritional menu planning. Expanded library facilities at the new association headquarters make the collection more accessible to visiting members than ever before. ISAL also produces a useful biweekly publication entitled *Foodservice Information Abstracts,* which keeps subscribers informed of key articles appearing in foodservice industry publications.



PROMOTION

Communications

Promotion of the foodservice industry is important in a time of growth. As the association seeks to attract new workers to the industry and help continue industry expansion, it is important that the public is presented with the industry's point of view. The Communications Committee is charged with the task of generating information for the news media and association members.

As foodservice enters the daily lives of more Americans, stories about the industry are attracting more attention from all types of news media. In the past 12 months the media relations department placed more than 7,000 articles about the industry and the association in both trade and consumer publications including *The New York Times*, *The Wall Street Journal* and the *Los Angeles Times*. Television and radio news programs followed foodservice industry issues at the national network level and in major local markets as well. Of particular interest have been stories about the response of the restaurant industry to proposed labor legislation. During this past year the association worked with the Minimum Wage Coalition to prompt 600 editorials opposing an increase in the minimum wage. These editorials were bound into two volumes and sent to congressional representatives and senators on Capitol Hill. In addition, association efforts led to more than 200 articles in daily newspapers protesting the imposition of the FICA tax on tips.

The association's publications help to educate its most important spokespeople—foodservice operators. In keeping the membership educated, the association encourages an informed and unified response to industry issues. The association's monthly magazine, *Restaurants USA*, keeps members abreast of restaurant innovations on subjects ranging from direct-mail marketing to trends in delivery, and also provides association news and issue updates.

The *PRO-MOTION* newsletter is an association publication that helps restaurateurs generate their own promotions. Subscribers to *PRO-MOTION* find the newsletter especially helpful for planning seasonal and holiday promotions. Grandparents Day was featured in last year's July issue and sent to all association members to help promote the holiday as a dining-out occasion.

The association also produces special publications on timely issues as needed. For instance, a special set of videotapes was produced this year to help operators deal with the AIDS issue.

The Communications Committee has been actively promoting the industry as a source of rewarding careers. More than 7,500 copies of the videotape "Ours Is a Special World," which celebrates employment in the hospitality industry, were distributed to vocational guidance teachers this year. In addition, an advertisement for careers in foodservice appeared throughout the year in publications read by high school students and their teachers.

Monterey Wine Festival

The Monterey Wine Festival was held under the direction of the National Restaurant Association for the second consecutive year and brought hundreds of wine experts, wine distributors and restaurateurs for three days of wine events and discussion. This year the Festival served as a showcase for 200 wineries and 800 wines and educated the membership about the best available wines to serve in their restaurants.

Projects With Industry

As the foodservice industry seeks methods of dealing with America's labor shortage, the association's Projects With Industry (PWI) program has received widespread attention and assumed increasing importance. PWI has succeeded in raising awareness about handicapped workers as productive, reliable and enthusiastic foodservice employees. A series of conferences on hiring older workers and trained workers with disabilities was held and well attended during this past year in Washington, D.C., New Orleans and New York. PWI programs were also featured at state trade shows in several states and at the Chicago Show in May. Numerous trade magazines have taken notice of the program, including *Nation's Restaurant News*, *Restaurant Business* and *Restaurant Management*. The PWI program is combating the labor problem and finding useful employment for the handicapped at the same time.

The Show

Both promotion and education are incorporated into the association's signature foodservice event, the annual National Restaurant Association Restaurant, Hotel-Motel Show. The Show displays the industry at its best and provides an opportunity for foodservice operators to learn about the latest trends in food items, techniques and equipment. This year's Show was held May 21–25 in Chicago, and more than 103,000 people attended the Show's events.

Attendance at this year's show was fueled by a 25 percent increase in international attendees and included 15 international exhibitors, including representatives from Italy, New Zealand, Germany and Austria. Also adding to the Show's international flavor was the Ice Carving Classic, which featured teams of ice carvers from countries including Singapore, Mexico and Canada. The popular Culinary Arts Salon expanded to twice its previous size this year. In this competition, chefs created artful presentations of buffet displays and centerpieces using foods such as pulled sugar, pastries and marzipan.

The Show was also a major educational event as operators were able to choose from dozens of seminars, lectures and management clinics. Featured speakers at this year's Show included Madame Jehan Sadat of Egypt, economist Arthur Laffer and television journalist Tom Brokaw, who spoke at the Show's opening day ceremonies following an address by Chairman of the Board and President Michael J. Grisanti.

Membership

The Membership Committee recruits new members through progressive marketing techniques such as direct mailings and an extensive telemarketing program. Special agreements negotiated this year added 4,000 members to the association through programs making them joint members of both their national and state associations in Maryland, Hawaii, Mississippi and Washington. The association's sales staff was also expanded this year, adding a full-time representative for the Phoenix, Arizona, area to complement the Chicago and Washington, D.C., area staff. Membership renewal rates have risen steadily in recent years and reached a high of 85 percent this year. A new direct-mail campaign has recently been undertaken that involves celebrity restaurateurs inviting their fellow operators to join the association.

NATIONAL
RESTAURANT
ASSOCIATION

Ice Carving Classic

GOVERNMENT AFFAIRS

Government Relations

The past year has been an active one for the committees dealing with government affairs. The U.S. Congress proposed several labor and regulatory bills that would interfere with how restaurateurs run their businesses. Consequently, the association fought these efforts at every step in the legislative process.

Two major political victories were won through the association's efforts this year. On March 29 the Senate withdrew the High Risk Occupational Disease Notification Act, which would have imposed an unreasonable liability on restaurateurs with regard to employees who had come into contact with dangerous substances at previous jobs. The association called for more realistic ways of handling the problem and was instrumental in having the bill withdrawn.

Similarly, fast food labeling legislation, which would have required ingredient labels on all takeout and fast food, was set aside by Congress. Individual companies were able to show more viable ways to provide consumers with ingredient information, and association lobbyists convinced Congress that the bill was unnecessary.

Despite these victories, the association still faces many challenges in regard to legislation now in Congress. Chief among these are bills concerning minimum wage, mandated benefits and parental leave. The steps taken during the past year to increase grass roots participation by members should help prevent these bills from becoming law.

The State Relations Committee succeeded in more than doubling the number of Key Contacts in the last year. These restaurateurs act as liaisons between the industry and members of Congress. This nationwide network has more than 425 participants and is still growing. The association also enlisted the services of a telemarketing firm this year to gather a show of support to Congress on issues affecting the foodservice industry. In this program association members were contacted and asked for permission to have mailgrams sent to members of Congress in their name. Using this method, the association was able to send Congress more than 85,000 messages opposing a higher minimum wage.

In April the association held a "Washington Rally." More than 100 operators came to the capital to meet one-on-one with their representatives and senators concerning minimum wage and tip credit legislation. In addition, a minimum wage/tip credit hotline was established through which operators can send a message to Congress. More than 3,300 mailgrams have been dispatched through this service. In March the trade press carried an open letter from Chairman of the Board and President Michael J. Grisanti to the entire industry calling for political action to stop adverse legislation. Appearing in six major publications, this message was seen by hundreds of thousands of operators.

Congressional Leadership Forum

The Political Education Committee works to bring restaurateurs, suppliers and hospitality industry representatives together with legislators and political figures to exchange ideas. The committee raises money through the Congressional Leadership Forum (CLF) to put together events that show foodservice operators how government works and inform legislators as to the priorities of the foodservice industry.

A strong new fundraising effort this year succeeded in raising more than $257,000 from corporate sponsors to fund a series of educational events, including the annual Public Affairs Conference held on Capitol Hill. The Public Affairs Conference brings together hundreds of restaurateurs and congressional representatives for three days of dialogue and idea exchange. The very popular Chef d'Oeuvre Reception was attended by more than 230 congressional representatives and senators as well as hundreds of visiting restaurateurs who discussed issues with their legislators over a buffet furnished by leading Washington, D.C., area restaurants. Noted speakers at the Public Affairs Conference last year included House Majority Leader Tom Foley, Senator Harry Reid of Nevada and Secretary of the Interior Donald Hodel.

The Congressional Leadership Forum also funds the Congressional Visit Program, which brought 19 members of Congress to the annual Show in Chicago this year. As usual, representatives who attended the Show were impressed with the scope and innovation of the foodservice industry's largest event. These members of Congress attended the Show's Grand Banquet, a festive event that also honors the incoming association president and corporate sponsors of the Congressional Leadership Forum.

Other popular events sponsored by the CLF include the First Thursday breakfasts, a monthly forum bringing together supporters of the foodservice industry with members of Congress and key political figures. Speakers at these breakfasts included Senator Rudy Boschwitz of Minnesota, Democratic National Committee Chairman Paul Kirk and Republican National Committee Chairman Frank Fahrenkopf.

Political Action Committee

The Political Action Committee (PAC) of the National Restaurant Association promotes the legislative agenda of the hospitality industry by making direct contributions to the campaigns of candidates for the U.S. Senate and House of Representatives. The amount of funds raised by the Political Action Committee has grown steadily, and the association's PAC has gained influence accordingly.

Last year was a record-setting year as the PAC moved toward its goal of $400,000 for the 1987–88 election cycle, an amount that will surpass all previous totals by 63 percent. PAC leaders have embarked on an aggressive new campaign, expanding the number of fundraising leaders serving as PAC trustees from 12 to 18 and heightening the PAC's profile. Because of these efforts, a record number of candidates will be supported in this year's elections.

In addition to fundraising, PAC leaders also schedule events around the country to showcase congressional candidates and meet with restaurateurs. PAC events were held this year in California, Washington, New Hampshire, Colorado, Nebraska and Missouri, among other states.

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*"Our industry is unique in America today.
In an age of high technology it is driven by
the service ethic and committed to human
concerns for nutrition, sanitation and the
simple pleasure of good dining. Building on
past successes, the National Restaurant
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conditions under which our industry can thrive."*

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MANNERS

ES FAUX PAS

The curriculum

So what can restaurateurs expect from their etiquette-savvy customers? Attendees at etiquette programs learn everything from specialized utensils to foods that should be avoided at business meals. In addition to learning proper dining decorum (sitting upright with the body leaning slightly against the back of the chair, hands resting in the lap or wrists on the edge of the table), students are introduced to the "cover" (china, crystal and flatware), including the geography of the placesetting—forks normally to the left, knives and spoons to the right. They learn that utensils and glassware for each succeeding course are selected from the outside in, that plates are served from the left and removed from the right, and when and how to use specialized utensils.

Proper course sequence is another point covered. For example, attendees learn that in proper formal service, the salad is served in the European fashion—after, not before, the entree, and that the sequence of courses at a formal dinner would usually be as follows: appetizer, soup, entree with accompanying vegetables, salad, a variety of cheeses, hot or cold dessert, and hot or cold fruit.

Seminar attendees also are counseled to avoid situational traps that can catch an unwary business diner off guard. They are told to stay away from difficult-to-eat menu items, such as fried chicken, spare ribs, lobster, artichokes, spaghetti, large salads and French onion soup, with its tantalizing but chewy cheese crust. Good bets for business diners, they learn, are easy-to-cut items like veal, roast turkey and boneless fish.

On your toes, maitre d's

An etiquette-savvy customer is going to mean more work for maitre d's. Etiquette experts say that host executives must take charge and assume a leadership role in the business dining experience. Their advice includes knowing what to look for when selecting a table for business—a spot away from mirrors, removed from kitchen and restroom traffic, and spacious enough to accommodate the spreading out of papers. Executives are taught to familiarize themselves with the dining establishment, to visit the maitre d' beforehand, to discuss table requirements and arrange for payment of the bill so that the check never arrives at the table.

Prior contact with the maitre d' may be particularly important for the female host. It removes ambiguity, defines her role at the business function and indicates that the preferential treatment traditionally afforded to females (being shown to the best seat at the table, assistance with the chair before seating) should be extended to her guest, the client. Female hosts in particular may want to arrange for payment of the check beforehand, either by leaving a credit card with the maitre d' or by arranging for a separate billing to the office. This eliminates any awkwardness that might arise when a male client wants to pay the bill.

Upgrading service

Etiquette-savvy diners are likely to want to use their new found skills not only to proclaim the difference between asparagus and escargot tongs, but also to watch for breaches of service. Waiters should be trained to approach a table of business diners shortly after they are seated and to expect that courses probably will be few and the party will want to get down to business quickly. They will send nonverbal signals when they are finished such as to indicate, "I am resting" or "I am finished." (The "I am resting" cue is to place knife and fork facing each other in the middle of the plate, almost touching. The "I am finished" signal is putting the knife and fork parallel to each other on the plate, with the tines and blade pointed to 11 o'clock and handles pointed to 4 o'clock.)

Can you name these utensils?

Can you name these utensils that often throw the uninitiated diner for a loop?

1. This utensil is approximately five inches long. Its three prongs usually rest in the bow of, or alongside the soup spoon. Sometimes it is also shown as the first utensil on the left hand side of the plate. The only time a placesetting can have more than three of one kind of utensil is when this implement is used.

2. This specialized utensil is traditionally the first one on the left-hand side of the plate. It has four tines that are usually broader than those of other forks.

3. At an informal dinner, these utensils may lie above the dinner plate. At a formal dinner, they are usually brought to the diner with the finger bowl. These utensils may be used in tandem, European-style.

4. This vestige of Victorian society sports a slightly scalloped edge and is held like a pencil. It rests on the right-hand side of the placesetting, usually between the dinner knife and the soup spoon.

5. This item is brought to the placesetting after the salad and before the dessert, arriving on a doily on the dessert plate, often with the dessert utensils. Don't drink from it!

Answers: 1. Oyster or seafood fork; 2. Fish fork; 3. Dessert utensil; 4. Fish knife; 5. Finger bowl.

How to eat without styrofoam

Once a month a busload of youngsters pulls into the Fourways Restaurant in Washington, DC, for a three-hour etiquette education program. According to Barbara Balman, director of catering and special events at Fourways, the program is designed to educate youngsters about proper restaurant behavior in a fun way they will remember. The three-hour session is broken into five parts:

1. Tour of kitchen. Students are given a tour of the restaurant and kitchen. The chef shows them where their food will be prepared and explains some of the equipment used in the preparation.

2. Instructions. Students learn about restaurant service, staffing and tablesetting when they sit down to lunch. The explanations are given before the meal arrives and in between the four courses.

3. Service. Students are waited on by a full staff of captains, waiters and support staff. The menu is the same for all students, but it varies depending upon the wishes of the group.

4. Tableside cooking demonstration. The captain demonstrates tableside cooking techniques.

5. Napkin-folding contest. Students learn about various basic shapes into which napkins can be folded; then they are asked to create original designs. A prize is awarded for the most original shape: dinner for the student and his or her parents at the restaurant.

The cost of the program varies. The instruction is free, but students pay for lunch on a sliding scale from $1 to $40, based on financial ability.

"This is one project the whole staff is excited about," Balman says. "With today's quick pace always bending one toward fast food, kids don't know how to conduct themselves anymore. That's a terrible loss. Manners are a very important part of society. With 'Etiquette Education,' we feel we are really doing some good."

Enriching the experience

Finally, restaurateurs may want to offer etiquette classes of their own, especially for youngsters (see sidebar). Through these light-hearted exercises, children, as well as adults, can learn that manners are not meant to be intimidating sets of rules. Instead, as Emerson wrote, "Manners are the happy ways of doing things." ❑

10 KITCHEN DESIGN MISTAKES TO AVOID

The best rule to use on all kitchen design is to plan for what you need and to buy the best you can afford.

A kitchen that allows its chef to create dishes without searching for the right pan or hunting for produce is the backbone of an operation able to serve as many people as the front of the house can attract. A kitchen built haphazardly or with only cost-cutting in mind may lose in the long run as short-term savings become long-term headaches.

Creating a new kitchen or reconfiguring the space in an existing one requires a careful balance of flexibility and planning. Because the kitchen is the soul of a restaurant, it needs the best it can have.

Design consultants agree that before a detailed kitchen plan must come the menu and a solid professional team, including the chef and owner or general manager as well as the architect or engineer, designer, contractor and even the equipment dealer.

"The menu is the blueprint that dictates equipment in your kitchen," say Victor Broceaux, director and chef of Reflections on the Bay in Miami and vice president of Restaurant Associates in New York. "Many investor-owners bring in a famous chef and let him have whatever he wants in the kitchen, wherever he wants it. Then the chef leaves, and the next famous chef spends a fortune customizing the kitchen to *his* needs. Better to design to the needs of the concept and restaurant than to a chef who may not always be there."

Bumps Baldauf, an independent design consultant who works with Berlin Food Equipment in San Francisco, likes to go through a design plan with the owner and chef to find glitches in the design before plans proceed too far. "I point to the saute area and ask the chef what he will do with the hot pan when he is finished. Does he need a counter or nearby sink? If the design isn't right, he will end up sliding the pan on the floor toward the potwashing station."

Future plans should also be considered. With some success, it is possible that you will expand, change the menu or alter the concept in a few years. Will your design still work? Without flexibility in the basic facility—plumbing, ventilation, electricity—an expansion or a new menu can be unnecessarily costly.

"There is a trend toward designing kitchens in modular form, to allow for change later," says Stanton Abrams of Abrams & Tanaka, a food facilities consulting and design firm in Santa Monica, California. "People are learning that a kitchen that is custom-designed the first time will be difficult and expensive to change."

Abrams cautions owners not to be too busy to go over renderings with their architects and designers. "Catching mistakes and misunderstandings early in the planning stages saves money," he says. "The time to catch errors is when the pencil goes down, not after the drawings are developed."

With careful planning, attention to the advice of experts, and realistic expectations, a kitchen design should be a success. But kitchen design consultants, engineers, contractors and equipment dealers caution against committing simple but costly errors. Here are 10 of the most common kitchen design mistakes cited by the experts:

1 Neglecting time and motion when creating a traffic pattern. Don't make your kitchen so large that you exhaust the chef and lose valuable seating in the dining room, nor so small that the staff collides in the aisles. Abrams says the cook's aisle should be three feet wide. Any more or less will waste steps or cramp the staff. Earl F. McKinney, principal of Hamill & McKinney Architects and Engineers in Lexington, Kentucky, says, "We design kitchen equipment to a two-step rule. If someone has to take more than two steps to complete a task, they are wasting time and energy."

Most designers recommend allotting 25 percent to 35 percent of a restaurant's total square footage to the kitchen. Any extra space can be assigned to other purposes. "Use the space for linens or secure storage if you can afford the luxury," Abrams suggests. "Otherwise, turn it into additional seating or hand it back to your landlord. Why pay for space you don't need?"

2 Buying expensive equipment you don't need—or cheaper equipment than you should have. Falling in love with a piece of equipment that has every possible bell and whistle but hasn't been on the market long enough to be time-tested is risky. When considering a labor-saving piece that is new on the market, determine how much you will have to use it before it has earned back your investment.

Likewise, Baldauf reminds owners that cheap and inexpensive are not the same thing. "If you are able to negotiate a good price with a dealer because of the quantity you are buying, that's terrific. But buying a range with lightweight sides and doors only ensures that you'll spend more money in the long run. I don't know any cook who closes oven doors with his hands. They all kick them closed; and if you buy a cheap range, you'll be replacing the doors all the time."

3 Underestimating storage needs. Calculate the storage and shelving you'll need, then add more, says Jim Finnerty, director of construction and maintenance for Restaurant Associates. Restaurants often scrimp on tray slides for their refrigerated areas and have to order more later, he says. He also advocates a stainless-steel table in the cold prep area, with shelves built above and below.

With the increasing interest in extensive wine lists and beers, secure storage has become more important. If a kitchen is built without a plan for beverage storage, you may find half of your food storage taken over by liquor while crates of tomatoes sit in the aisle. One solution is to incorporate specially designed wine display cases into the design of the dining room.

However, too much storage can cause clutter problems. Broceaux believes shelving should be above the waist only. He complains that below-the-waist shelves and drawers collect things and never get cleaned out. Abrams has seen the same clutter problem with shelving. He solves it by building shelves that are 20 inches deep—deep enough for three #10 cans but too narrow to collect junk.

4 Failing to consider refrigeration needs. "Owners think they must have a walk-in freezer for storage," says Broceaux. "I think that discourages them from using the freshest ingredients, since only desserts and shrimp really have to be frozen. If you have to rotate your stock and use fresh food, your food will be better. In addition, the less freezer space you have for storage, the less money you will invest in inventory."

Most consultants prefer one cold storage walk-in and several refrigerators at the appropriate stations. "Small refrigerators on the line are often eliminated as a cost-cutting measure," say Finnerty. "But owners always add another refrigerator—and it's usually a small two-door box near the chef. Several small refrigerators are better than one large walk-in."

5 Scrimping on floors. The opinion seems unanimous that nonskid quarry tile is the best flooring to use in a kitchen. It wears better, cleans more easily and is safer when wet. It is also expensive, so many owners are tempted to install vinyl, acrylic or plastic flooring. The difference in cost can be $1,000 or more by selecting less-expensive flooring. But the added costs of placing strips of nonskid tape and keeping them clean; repairing tears and leaks; and, perhaps, defending yourself in slip-and-fall lawsuits quickly eat up any early savings.

6 Failing to forecast additional electrical needs. As your business expands and you add new menu items, you may find yourself acquiring small countertop appliances. Without planning ahead of time, you'll run out of outlets and be tempted to move that new espresso grinder or slicer from its logical location to an inconvenient spot in the back of the kitchen where an outlet isn't being used. The rule here is to overestimate the outlets you'll need.

Marcia Hibsch Coppess is a freelance writer in Pasadena, California

Finnerty recommends that you rough in extra electrical outlets during the original building stage to avoid costly problems later.

7 **Creating gridlock in the pick-up and service areas.** "If your waitstaff or bussers have to walk past the line to drop off dirty dishes, then back again to pick up more orders, you're wasting their time and your money," Finnerty says. "Create a traffic pattern that allows them to drop off dishes, pick up entrees and move on through the line without retracing their steps." A dirty dish table at the kitchen entry from the dining room is one solution. It can serve as a drop-off point during rush hours and allows a smooth cycle of traffic.

8 **Overlooking the importance of light.** Lighting prevents mistakes, aids in cleanliness and keeps spirits up. A dim area or one lit by glaring bulbs causes eyestrain and requires extra effort from your staff.

"Most raising of tempers in the kitchen is the result of poor lighting and ventilation," Broceaux asserts. "The cook who stands close to the stove is exposed to more-than-100-degree temperatures. Add that to the pressure and speed required in the kitchen, and without decent lighting and fresh air, tempers flare."

Broceaux uses overhead lights to illuminate his kitchens. "I don't use spotlights and I only use fluorescent lighting if I can combine it with additional lighting that will correct the color," he says.

9 **Neglecting to consider noise and odor levels that may travel to the dining room.** Don't forget to anticipate the noise and odors that emanate from the kitchen. If your design does not incorporate doors between the kitchen and dining room, you can muffle the sound by dropping headers above the door openings or acoustically treating wall surfaces. Avoid duct work with too many 90-degree angles or horizontal runs, because they create noise.

Most restaurants successfully avoid odor problems. But some builders, in an attempt to save money and labor, disregard the proper ratio of makeup air necessary to prevent odors from wafting into the dining room. Consultants recommend that 85 percent to 90 percent of the makeup air in a restaurant should be provided by exhaust hoods, allowing about 10 percent to be drawn from the dining room.

10 **Disregarding receiving, breakdown and waste disposal.** Because it is not a public service area, it is easy to ignore the back of the kitchen. But the receiving and waste areas are some of the busiest spots in the restaurant. With careful planning, the back of the house can keep the cooking areas working smoothly.

Baldauf advocates installing a breakdown table just inside the back door. There, a pantry person can clean out a crate of lettuce, dispose of old leaves and place the rest in a smaller container in the refrigerator. A six-foot-by-30-inch stainless steel table with sink and disposal costs less than $1,000 to purchase and install, he says.

"It is a luxury, but the investment is worth the time your staff will save," he says. "The pantry people feel ahead of the game if they can walk into the refrigerator and get cleaned lettuce. It also helps hold down insect problems because unclean produce never gets past the back of the kitchen."

Depending on your location, your garbage disposal area may be in view of arriving customers, Baldauf points out. "If you neglect to create an attractive enclosure and a customer happens to park in the back of your lot, that row of cans will be the first impression of your operation. Your interior may be created by the best designer, but that customer's memory of your restaurant will be an overflowing dumpster."

The best rule to use

The best rule to use on all kitchen design is to plan for what you need and to buy the best you can afford.

"If you can't buy top quality, get the best you can," Baldauf urges. "If you are set on owning a particular piece that you can't yet afford, leave the space empty and fill it when you *can* buy the top of the line. Don't waste your money now on cheap goods or cut corners on structural shortcuts that will cost you later." ❑

Computers—what can they do for restaurants?—wondered the 100 participants who came to Orlando for the National Restaurant Association's National Conference on Computers in Foodservice earlier this year. Plenty, they learned. "This conference brought me from the 16th century into the 21st century," said one attendee, who remarked on the depth and scope of the information presented, the straightforward discussions and the ample examples and case studies that made the explanations take on operational significance.

Vendors, operators, staff professionals and consultants rubbed elbows as they reviewed front-of-the-house and back-of-the-house systems. The topics ranged from technological breakthroughs to software applications and even touched on pros and cons of automation. The discussions were candid and very hands-on, geared to cost-saving functions and practical applications. Computers were neither glamorized nor oversold. "You need manual controls—systems in place—before you computerize," all the presenters warned. And the attendees were listening—not only at the general sessions but also at the system-user-group breakouts and management workshops. As one participant remarked, "I was ready to go to contract with a vendor before this conference; now it's a whole new ball game."

COMPUTER CONFERENCE REPORT

Stepping into the 21st Century with Confidence

Points to consider before you computerize

1. Is the business stable? Computer systems are not a substitute for good management principles.

2. Computers do not always save time, especially on small jobs. Someone still has to input the data. In fact, a computer could add administrative or overhead functions.

3. Choose your applications first, not the hardware.

4. Don't automate everything all at once. Decide which areas to automate and which to leave alone. Choose areas that already have good management controls.

5. Conduct a survey of your requirements by each operational area—front and back of the house—to determine what to automate. Interview key staff, collect all forms and procedures, and observe the operation in the trenches to get a realistic picture.

6. Determine if automation will affect the rest of the operation, customer perception or staff morale.

7. Make sure you have management and employee commitment to the system before you begin, or your efforts will fail.

8. Do your homework. Choose vendors who understand your business and with whom you feel comfortable.

9. If you buy from one vendor, make sure the system can interface with other systems.

10. Don't rush. Allow enough time for the system to work. Plan time for training.

—Robert N. Grimes, president, Strategic Technology Services Corporation, Bethesda, Maryland

Artificial intelligence will drive th industry of tomorrow, predicted B Grimes, president, Strategic Techn ogy Services Corporation, especiall in the areas of planning, schedulin energy management and vendor, c tomer and space analysis.

Questions to ask during a sales presentation

There are important points you should review when you are evaluating a vendor's sales presentation.

1. With whom are you doing business? Are you doing business directly with the vendor, or are you doing business with a third party?

2. What is the track record of the vendor? What responsibility does the vendor take for the installation and sale? What is passed on to a third party?

3. What is the vendor's financial history? Ask to see a financial statement or an annual report prior to the sales presentation.

4. Who will be your support representative? Make sure that person comes to the sales presentation because he or she will train you. Usually these people come from the restaurant business, and they are well-versed in operational procedures as well as the vendor system.

5. If you're dealing with a third party, such as a cash-register dealer representing the point of sale vendor in your area, ask the same types of questions: How many people are trained on the vendor's product? How are they dispersed within the organization? What is their track record with the product?

6. Check references. Go to installations armed with your requirements, so that you can discuss what is important to you and ask if the user is getting that capability out of the system. Visit more than one user and at least one national account installation because they tend to be less biased.

Many restaurants still give a good reference even if they are not totally satisfied with their performance. Maybe they just don't like to admit they did not make the best decision. When you check a lot of installations, it enables you to really assess the strengths and weaknesses of the vendor in your market.

7. If you're dealing with a new vendor, weigh the risks and benefits. Let's face it—someone had to order the first Remanco, someone had to order the first Fisher Restaurant System, someone had to order the first Squirrel. Restaurateurs are probably the biggest risk-takers of all—and you shouldn't be scared by a new business. You should, however, raise the issue during the sales presentation. Point out that the situation is risky, and talk about performance and nonperformance. Put the issues that are important to you into the contract.

There was plenty to think and talk about at this year's computer conference.

"Many people buy a $30,000 system and use only $2,500 of it," said Bill Schwartz, president of Systems Concepts, Inc.

8. If you are concerned about service in your area, make sure the service manager is in that meeting. It's much better to look the service manager in the eye and talk about response and ask about parts and the quality of the service staff, because he or she has to work with you after the sale.

9. Take your key team members with you for their input and support. Let them evaluate the system.

10. Maintenance is very important. Be sure to ask if there is a maintenance contract in your area and explore the different maintenance options. Many of the vendors today are offering spare components as part of maintenance.

Ask about backup terminals and printers and something I call an "escalation procedure"—a written document that says what the next level of support is if all the systems and procedures don't work, and how long you wait before you go to that next level. If you home in on these issues in the sales presentation, you can develop a very happy and satisfactory relationship with the vendor.

We're all interested in building a long-term strategic relationship with you as customers. And honesty, integrity and sound business ethics are the stuff that long-term relationships are made of.

—David Carroll, vice president, national accounts, Postech, Inc., Toronto, Ontario, Canada

What to look for in a computer consultant

A computer consultant can give you an objective opinion about what you're trying to accomplish and the way you're going about it. He or she can set up a system, often in a specialized area, such as food cost or inventory management. I've talked to many people who have spent hundreds of hours setting up accounts payable systems, general ledger systems and payroll systems, when in reality those projects do not take more than a few hours to put in place. Doesn't it make sense to bring someone in and pay for a few hours of his or her time to get the job done more quickly?

Another good service a consultant can provide is to evaluate the software and/or hardware you're considering, or to provide support services when you run into problems or when your needs change. A consultant can also find products that you can't track down but that can work well for your business. You may spend three days out of your year looking for those products, but consultants are usually spending a full year tracking information.

Qualities to look for

The most important attribute to look for in a consultant is experience with the foodservice industry. You want to work with someone who understands your business. Some other qualities you might want to look for are enthusiasm, energy, self-motivation and the ability to be a team player—to work with you, not change you. Another desirable characteristic is the ability to listen. If a consultant is not listening to you, then there is no way that he or she is going to be able to give you advice that's going to help you.

A good consultant also needs a good sense of humor. In the foodservice business, where you're working 18 hours a day and you're dealing with broken toilets and fussy servers and customers who don't like the color of a particular chicken dinner, everyone needs a sense of humor to survive.

Social activities provided additional opportunities for idea exchanges.

What can a system really do, operators wanted to know. They got their answers from vendors and users in breakout sessions. Here, Mary Alice Byers, assistant manager of Bob Ruby's Great Steaks, talks about Posetech's Squirrel System.

Where to look

There are a lot of places to look for consultants. Consultants are listed in the yellow pages. Or you can go to your local retail outlets or to your vendors. Many vendors work with different computer consultants in the foodservice business, and they can give you names of people they've worked with who did a good job for their customers.

Be sure to talk to other restaurant people. Find out who helped them.

And don't forget to look to associations. There are a number of national consulting associations that have a code of ethics their members follow and 800 numbers you can call to get lists of consultants you can work with.

You can also call the National Restaurant Association, which maintains a list of consultants that specialize in foodservice.

Before you begin

Before you hire a consultant, make sure your information is well organized. Computers demand organization in order to be effective. And if your information is unorganized, then you will be paying a consultant to shuffle papers around for you.

Work out a game plan ahead of time. Know what you want the consultant to do and who on your staff will work with that person. Allocate your staff's time and resources. Plan a good map for the consultant, too. Identify completion dates and costs. I recommend an hourly fee over a flat contract price, because I think you'll get a lot more for your money.

Finally, remember the consultant is there to set up a system. Keep it as simple as possible.

—William Oleksinski Jr., president, ReSTAR, Bolton, Connecticut

SLIM SAUCES

by Claire Regan, R.D.

Max Karl Winkler

In the wake of nouvelle cuisine, more and more nontraditional sauces are finding their way onto menus, and many are lighter and lower in fat than their traditional counterparts. Instead of fat-laden roux, sauces are now being thickened by reduction or the addition of pureed fruits or vegetables. For example, venison teams up with a plum zinfandel sauce, smoked filet of salmon with a sassafras sauce, tournedos of beef with an eggplant puree, and Maryland crab nuggets with a lemongrass and ginger sauce. Even old favorite dessert sauces like creme a l'Anglaise are being edged out by the perennial favorite—raspberry sauce, which is dressing up apple tarts, puff pastries and white mocha mousses. More exotic pairings are mango coulis for a charlotte russe and yellow plum sauce to color a baked meringue.

Sauces are lightening up

"There is no question that sauces are lightening up. Patrons still crave the classics, but there's been a general change over the last few years fueled by consumer awareness." says Emeril Lagasse, executive chef of Commander's Palace Restaurant in New Orleans. Lagasse is well versed in the subject, having developed nutritious selections for Commander's Palace. The restaurant's Creole Light Cuisine adds up to no more than 600 calories for a meal that includes soup or salad and an entree.

Taste was Lagasse's primary consideration when he developed Creole Light. "It has to be healthful, but taste is everything," he says. "We eliminated butter and roux from our light sauces. For thickening we rely on reduction or fortification with pureed vegetables or pureed cooked rice. For instance, I use sassafras puree in my gumbo and tend to use quite a few smoked items, which add a good flavor that people never tire of," Lagasse explains. He describes his smoked tomato sauce, served with grilled chicken, simply as pureed smoked tomatoes, fortified with garlic and herbs and reduced.

Lagasse has developed his own low-fat barbecue sauce and a creole worcestershire sauce, using creole mustard, fresh horseradish, cane sugar, molasses, garlic, onions and cloves.

Chef Mark Erickson, member of the U.S. Culinary Team and education department chairman for second-year cooking at the Culinary Institute of America (CIA) in Hyde Park, New York, has his own idea about the evolution of sauces. "We're always looking for something different to do with food. Many of the changes we're seeing in sauces are motivated not by nutrition but by creativity. We used to rely on the base sauces, but reductions and coulis provide a new avenue for creativity. They also happen to present the opportunity to eliminate some fat, increase the carbohydrates and add some texture."

Erickson was involved in the development of the menu for St. Andrew's

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Claire Regan, R.D., is manager/staff nutritionist for the National Restaurant Association.

A pinch of history

Before the advent of refrigeration, sauces and marinades were a necessary component of a chef's repertoire. Marinades, from the French, meaning "to pickle" were used as a means of preserving meats and fish. Sauces were used to mask flavors that developed from inadequate preservation. In those days, sauces were generally spicy and thickened with coarse bread or ground almonds. It was not until the 15th century that the roux (equal parts of cooked fat and flour used to thicken sauces) was developed. The roux soon became a primary constituent of traditional sauces. When Auguste Escoffier came along in the 1800s, he became impatient with the extraneous substances produced by the protein in flour that have to be skimmed during the long slow cooking of some sauces. He predicted that a pure starch, like arrowroot, would replace flour as the thickening agent in sauces. Nonetheless, traditional roux continued to be used.

The five leading sauces, or mother sauces, as they are called, are brown, bechamel, tomato, veloute and hollandaise. They were developed by Escoffier, the father of modern French cooking, and continue to provide the base for many classical sauces. In fact, most chefs still strive to achieve Escoffier's criteria of the model sauce: smooth, light and glossy, with a well-defined taste, a result of the combined flavor of all ingredients.

But nouvelle cuisine introduced sauces prepared in new ways—often thickened by reduction or addition of pureed ingredients, designed to enhance rather than overpower foods. Thanks to this departure, chefs are now experimenting with sauces.

SANTE FE SAUCE

(Makes about 2 cups)

Serve hot with poached fish, eggs, grilled chicken, lean pork, tortillas or zucchini and onions.

Ingredients:

1 medium onion, chopped
1 cup corn kernels
3 cups peeled, seeded and chopped tomatoes
3 cloves garlic, minced
½ tspn. cumin seed, crushed
½ tspn. coriander seed, crushed
½ tspn. dried oregano
1 tspn. chili powder
10 drops hot-pepper sauce

Method:

In a food processor, puree the onion, corn, tomatoes and garlic until smooth. Pour into a medium saucepan and bring to a boil. Boil uncovered for 7 minutes, stirring occasionally. Add the cumin, coriander, oregano, chili powder and pepper sauce. Boil, stirring often, for 8 to 10 minutes, or until sauce has reduced in volume by half.

RED PEPPER COULIS

(Makes 2 cups)

Serve this sauce hot with poached fish, pasta, steamed asparagus or globe artichokes. Or serve cold with strips of thinly sliced beef or steamed shrimp.

Ingredients:

5 sweet red peppers, coarsely chopped
½ cup stock
2 Tbs. balsamic vinegar
2 cloves garlic, minced
2 tspns. dried basil

Method:

In a food processor, puree the peppers, stock, vinegar, garlic and basil until smooth. Pour into a medium saucepan and bring to a boil. Lower the heat slightly and cook uncovered for 10 minutes, until sauce is thick and fragrant.

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SWEET PEACH SAUCE

(Makes about 1 cup)

Serve cold as a dressing for fruit salads or as a topping for cakes, crepes or poached fruit. If you're using fresh peaches, you'll need to cook the sauce a bit to thicken it.

Ingredients:

1½ cups peeled, pitted and chopped fresh or frozen peaches (about 4)
2 tspns. apple-juice concentrate
Dash of freshly grated nutmeg

Method:

In a food processor, puree peaches, juice concentrate and nutmeg until smooth.

SAVORY PEACH SAUCE

(Makes about 1 cup)

Serve cold with cold poached seafood. Or heat gently and serve with lean pork. If you're using fresh peaches, you'll need to cook the sauce a bit to thicken it.

Ingredients:

1½ cups peeled, pitted and chopped fresh or frozen peaches (about 4)
2 tspns. honey
1½ tspns. prepared horseradish
1 tspn. raspberry vinegar

Method:

In a food processor, puree peaches, honey, horseradish and vinegar until smooth.

SAVORY THREE-ROOT SAUCE

(Makes 6 cups)

Serve hot with lean roast meats, steamed broccoli or brussels sprouts.

Ingredients:

2 large potatoes, peeled and chopped
1 celery root (about 1 lb.), peeled and chopped
3 parsnips, peeled and chopped
2 cups chicken stock

Method:

Place the potatoes in a medium saucepan and add cold water to cover. Bring to a boil and cook until tender, about 15 minutes. Drain and mash, using a food mill, electric mixer or hand-held master. (Do not use a food processor; potatoes will become gummy.)

In a second saucepan, combine celery root and parsnips. Add cold water to cover. Bring to a boil and cook until tender, about 15 minutes. Drain and puree in a food processor with the stock until smooth. Stir the purees together.

Cafe, CIA's restaurant featuring nutritious offerings. He modified the traditional chicken veloute using chicken stock, arrowroot and evaporated skim milk. This resulted in a caloric savings of about 300 calories per liter and a significant fat reduction. Erickson says he relied heavily on the traditional jus de veau lie, fortified veal stock thickened with arrowroot, which lent itself well to the St. Andrew's concept. He also points out that vegetable stews can act as low-fat substitutes for sauces, citing pheasant breast on a bed of stewed lentils as an example.

Marinades add flavor, not fat

Marinades are another means of adding flavor to foods without elevating the fat content. Tom Ney, director of the Rodale Food Center at the Rodale Press, Inc., in Emmaus, Pennsylvania, generally tries to avoid sauces. When featuring grilled flank steak in the employee cafeteria, he marinates it in "whatever is around" to add flavor and to tenderize. "For a reception we used a spicy Asian marinade (sesame oil, low-sodium soy sauce, garlic and hot pepper) on shrimp that was so good that no one even touched the dipping sauce we served with the shrimp," Ney boasts.

In the past few years Ney has noticed more coulis-based and reduced sauces and also a trend to serve food without any sauce. "Sauces originated as a vehicle to mask the flaws in food. With more attention to perfect cooking, sauces aren't absoutely necessary. We do not grill to a bone-dry state anymore, so even grilled foods are juicy. I've also noticed more edible garnishes on plates," Ney notes.

He offers advice to those attempting to lighten up their sauces. "It is tough to find a low-fat substitute for creamy cold sauces. I puree low-fat cottage cheese in a blender, not a food processor, and adjust the consistency with skim milk. It can be thinned and used as a dressing or kept tight for dips," Ney says. He also suggests mixing light mayonnaise with low-fat, plain yogurt for use in sandwich fillings. To prevent separation, he recommends draining the whey from the yogurt overnight by using a filter or fine mesh cloth. ❑

Low-calorie options can help your customers

When you offer low-calorie foods to your customers, you are doing them a favor. The average weight of Americans is creeping up, and so are the corresponding complications.

Overnutrition is often a curse of affluent societies, and the United States has not escaped. Although the figures vary somewhat, about 25 percent of adult Americans are obese, weighing 20 percent or more above their optimum weight for height, and even more are considered overweight (less than 20 percent above optimum weight). And we are not getting thinner. Despite a slight decline in the rate of obesity over the past 25 years, the average weight for adult males increased by about six pounds between 1960 and 1980, while the average height increased about an inch. Women, on the average, weigh about 4 pounds more but are less than an inch taller.

Why are the scales tipping when nearly 45 percent of the population considers itself overweight and about a third is dieting? Often the wrong people are dieting—those of average weight who wish to be thinner. This explains ~~why many of~~ your requests for lower calorie foods may not be coming from patrons who are obviously overweight.

The reasons why

The long-held theory of weight gain is simple: Overweight people eat more food, or calories, than needed. Although scientists generally continue to acknowledge that obesity is related to eating habits, they also are recognizing a good deal of individual metabolic variation that may be genetically determined. Childhood behavior, infancy overfeeding and social patterns, such as increased television viewing, also play a part in the increase of obesity.

The end result is the same: increased health risks. The "killer diseases"—heart disease, hypertension, stroke and cancer—are all associated with obesity, as are adult-onset diabetes and shortened life-spans. Obesity also complicates pregnancy, childbirth and surgery.

The Health Objectives for the Nation, developed by the U.S. Department of Health and Human Services, include a goal to significantly reduce the incidence of obesity. Similar objectives are being developed by states and counties. Recognizing that 30 percent of its population is overweight, New Mexico officials have launched a statewide weight-reduction campaign. The goal of "Eat Right New Mexico" is to have 90 percent of the population within 10 pounds of desirable weight by 1996. The 10-year campaign will focus on fitness, smoking cessation and weight control.

What you can do

Obviously it is not the role of the restaurateur to tell patrons to lose weight. But you can make low-calorie options available.

☐ Fat is the most concentrated source of calories in food. Therefore, ingredients like cream, oil, butter, mayonnaise and fatty meats should be decreased or eliminated in reduced-calorie items. Lean meats, skinless poultry, fish, pasta and vegetables are good low-fat ingredients. Use cooking methods that require no additional fat and try low-fat garnishes, like vegetable salsa and slim sauces.

☐ For weight-watchers, consider offering smaller or half-portions of your regular menu items. Try half portions on desserts, too. Some patrons may be satisfied with a few bites and are more likely to order dessert if they know they will not be tempted to eat too many calories.

☐ Meatless entrees are gaining popularity. Try low-fat ones, like stir-fried vegetables with rice or grilled vegetable salad with couscous.

☐ Explore dishes from carbohydrate-rich, low-fat cuisines, such as Mediterranean foods from Portugal to Italy. They feature whole grains, green vegetables, garlic, onions, olive oil, fish and wine.

☐ If you've developed some items for weight-conscious patrons, try marketing them at local health clubs.

☐ Look for a community-based weight-reduction program like "Eat Right New Mexico" in your area and develop menu items that comply with the program.

#92

Insights and inanities

Many people place considerable stock in the pronouncements of persons in authority. Presumably, what officials say or write carries a great deal of weight with those who are affected by such statements. Those officials, however, being human like the rest of us, can be insightful or incisive but they also can, from time to time, contract "foot-in-mouth" disease just as "normal" people do.

The following is a collection of remarks I have heard government leaders, corporate officers, educators and various other people make. I offer them to you for your contemplation or amusement, as the case may be.

1. "If someone is going to stab me in the back, I want to be there."

2. "This program will create thousands of jobs for hundreds of people."

3. "You know you're getting old when the phone rings on Friday night, and you hope it's not for you."

4. "If we don't all get behind this program, it will get ahead of us."

5. "The person who says he never had a chance probably never took a chance."

6. "You know you've reached maturity when you raise your eyebrows instead of your voice."

7. "If we have intelligent people on our side, which we do, and they have intelligent people on their side, which they do, then how do we get into such dumb situations?"

8. "I became an economist because they told me I didn't have the personality to become an actuary."

9. "We fell short of our profit projections because we didn't generate the profit we projected in the first place."

10. "The time has come to roll back the advances that were made several years ago."

11. "She's never seen a mirror she didn't like."

12. "A decrease in the rate of increase is not a decrease. It's an increase, although many people regard it as a decrease."

13. "He has correctly predicted four out of the past three elections."

14. "The consultant's credo is 'To err is human but to get paid for it is divine.' "

15. "In politics you have to learn to respect and revere hypocrisy."

16. "I've often been asked how many people work for us. I estimate about half of them."

17. "I learned early in life that I had to know all the rules. That way, I could know which ones to break."

18. "He thinks he's made a good deal when he feels he's outcheated the other guy."

19. "On my way here, a teenager asked me if he had time to visit the men's room before the plane left. I told him I didn't know, since I had never timed him."

20. "Good judgment comes from experience. Experience comes from poor judgment."

21. "You know you are getting old when you think more about your memories than you do about your dreams."

22. "When I went off to school, I wanted to be a mortician. I wanted to follow the medical profession, so to speak."

23. "I don't claim to be clairvoyant, but, on the other hand, I think I can see what's ahead of us."

24. "Understanding people is the core of a manager's function."

25. "That committee is a group of the unprepared, designated by the uninformed to do the unwanted."

26. "We realize that we have to get back to basics. We can do that only by adopting the most modern management techniques and technology."

27. "Many companies don't recognize the point when they have to temporarily stop expanding and start improving."

28. "My opponent's abilities do not measure up to his ambition."

29. "He has no friends—only accomplices."

30. "Businessmen usually don't make good politicians. They're too rational and demanding."

31. "We have assembled a panel of four renowned economists. Now we'll really witness a division of the prophets."

32. "I have concluded that there are a few differences between *man*agement and *woman*agement. I have also concluded that I don't know what they are."

33. "People who think by the inch and write by the mile ought to be treated by the foot."

34. "If you are not part of the solution, then you are often part of the problem."

35. "It's always easy to criticize when you don't have the responsibility for the action that's been taken."

36. "Never forget that a policy is not a regulation. A policy is a general standard on which to base decisions. A regulation is an absolute."

37. "In many organizations employees endure life. We try to have employees enjoy life."

38. "He has a face that was made for radio and a demeanor that's appropriate for a circus."

39. "Your facial expression is the signature of your experience."

40. "Experience is a hard teacher. It gives you the test first. Then you learn the lesson."

41. "When someone says, 'That's a good question,' you can be sure it's a lot better than the answer you're going to get."

42. "It's not so much that hard times are coming as it is that soft times are going."

43. "My opponent is partially right in his tenets, but he is totally wrong in his conclusion."

44. "Always put your best corporate jockey on your fastest corporate horse."

45. "Will Rogers once said, 'I never met a *man* I didn't *like*.' Updating Will's statement to modern times, I can truthfully say I never met a *person* I didn't *respect*."

46. "When someone says it's not the money but the principle that's important, you can be sure it's the money that's important."

47. "Sometimes the best decision is to do nothing different, but you still have to go through the decision-making process."

48. "The best answer to some questions is another question."

49. "We hear a lot about rights. Everyone has rights in every situation. How come we don't hear much about responsibilities?"

50. "It's never too late to start improving. It's also never too early."

Fisher's Law #92. ***When it comes to insight, it is as valuable as eyesight. As for inanitites, don't think with your mouth.***

A fine future for food bars

The question on many operators' minds is whether food bars are right for their establishments. Some restaurateurs claim that food bars attract customers and increase sales; others argue that costs outweigh the benefits. A new Gallup survey commissioned by the National Restaurant Association sheds some needed light on the topic. The survey, conducted in April 1988, consisted of telephone interviews with a nationally representative sample of U.S. consumers.

Originally implemented as a labor-saving device, self-serve food bars have left behind the modest days when they featured iceberg lettuce, a few sliced vegetables, croutons and dressings. Today super food bars offer several varieties of lettuce, pasta salads, fruit salads, hot entrees, soups and even ethnic foods. And some operators have even found it necessary to add distinctive items of their own to ensure competitiveness.

The proliferation of self-serve salad and food bars has reached the point where a majority of consumers purchase from them at least once a month. According to the National Restaurant Association Gallup survey, 63 percent of the respondents who had visited a restaurant in the 30 days prior to the April survey indicated that they purchased food from a salad or self-service food bar during that time period. In addition, more than half of those who purchased food from a food bar claimed they were using them more frequently today than several years ago.

Most-frequented food bars

Not surprisingly, cafeterias or buffet-style restaurants have the most-frequently-used food bars. Nearly 6 in 10 consumers who visited a cafeteria/buffet-style restaurant at least once in that 30-day period purchased items from a food bar. Tableservice restaurants are also likely sites for food bar purchases. Half of all persons frequenting these establishments made use of a salad or food bar. A slightly greater percentage use food bars at tableservice operations with a per-person check under $10 than at those where the check is $10 or more. In contrast, self-service food bars are less likely to be patronized at fast food operations. Only four in 10 fast food customers bought from a salad or food bar during the 30-day period. Shoppers at grocery or convenience stores show the lowest incidence of self-serve food bar use.

Who uses food bars?

At restaurants, the use of salad and food bars appears to be related to the education, income and age of the consumer. Respondents with less than a high school education, those earning less than $15,000 per year and those 65 years and older were the least likely to frequent self-service food bars.

Among consumers who purchased food away from home in the 30 days prior to the survey, nearly two-thirds of those with high school or college diplomas purchased from a salad or self-serve food bar, compared with only 40 percent of those who had not finished high school. And although 65 percent of the respondents earning $30,000 or more per year purchased from a food bar, only 45 percent of those with incomes under $15,000 per year used such restaurant offerings.

The lower level of food bar usage by these demographic groups cuts across all restaurant types: tableservice, fast food and cafeteria. At cafeterias, from 22 to 24 percent of consumers age 18 to 64 purchased food from salad or self-service food bars, compared with 13 percent of individuals 65 years old and older. Only at grocery or convenience stores was there no discernible difference in food bar usage by education or income.

Promoting self-serve offerings

According to the association's study, users of food bars appear very satisfied. The majority of survey respondents rated a list of salad and self-service food bar attributes as good or excellent. Nearly 80 percent positively assessed the variety of choices available, the freshness of the food, the quality and tastiness of the food and the cleanliness of the food bar area. More than seven in 10 said they believed salad and food bars were a good value for the price. No attribute was rated poor by more than 4 percent of the respondents except for the size of plates or containers—7 percent deemed this inadequate.

The satisfaction registered by consumers in regard to food bars indicates that they can be used effectively to attract customers. Nearly 60 percent of those surveyed wished more tableservice restaurants had salad or food bars; and more important, 61 percent claimed that they would try a restaurant they had never been to if they heard it had

Percent using salad or self-serve food bars by establishment type, 1988*

Self-serve food bars were most likely to have been patronized in cafeteria or buffet-style restaurants

All restaurants	63%
Cafeteria/buffet style restaurant	59
Tableservice restaurant where the per-person check is under $10	54
Tableservice restaurant where the per-person check is $10 or more	49
Fast food restaurant	40
Grocery and/or convenience store	28

**Of those who patronize establishment type*

Source: National Restaurant Association Gallup Survey, 1988

Attitudes toward salad and food bars, 1988*

Lesser-educated consumers are more likely than others to try restaurants based upon their having a good salad or food bar

	Percent who agree strongly		
	Using salad or food bars more frequently than in past	**Wish table-service restaurants had salad or food bars**	**Would try restaurant never been to if heard it has good salad or food bar**
Total	**38%**	**42%**	**44%**
Sex			
Male	34	38	38
Female	43	46	50
Education			
College	29	30	30
High School	40	43	48
Less than High School	45	57	53
Annual Income			
$30,000 or more	39	39	42
$20,000 to $29,999	32	45	46
$15,000 to $19,999	40	40	41
Less than $15,000	39	46	49

*****Of those who purchase food from a salad bar or self-serve food bar*

Source: National Restaurant Association Gallup Survey, 1988

a good salad or food bar. With such a relatively large percentage of consumers willing to patronize a restaurant because of its salad or food bar, some operators might find it advantageous to use them as traffic builders. By promoting a high-quality food bar, restaurants could attract new faces into their establishments.

Creating a food bar

Installing a salad or food bar isn't enough. Consumers are looking for a good product. A salad or food bar that stands out from the crowd is one of the keys to increased customer counts. Although the association's Gallup survey results show that consumers are generally satisfied with food bars, there is room for improvement. Only one attribute, variety of choices, was rated excellent by at least one-quarter of those polled. Deciding what items to include depends, of course, on the purpose of the bar and the meal occasion it is serving. A food bar oriented to side dishes rather than main meals would necessitate salad offerings and perhaps a few appetizers, while a food bar that takes the place of a lunch or dinner order may require hot entrees and side dishes. Some operators offer an array of items from salads to soups to sandwiches while others opt for theme-oriented spreads, such as Mexican buffets. Individual restaurateurs must decide what approach is best for their establishment.

According to the survey, the vast majority of consumers are likely to eat salad or fruit from a food bar. More than seven in 10 claimed they would eat desserts, appetizers, hot lunch/dinner entrees and potatoes with toppings. Men were slightly more likely than women to eat hot breakfast and sandwich items, by a margin of 68 to 61 percent and 57 to 51 percent, respectively. Ethnic items, however, appealed to only half of those surveyed, suggesting that they either have more limited appeal or are not yet fully accepted as food bar offerings. Older consumers were especially unenthusiastic about Mexican and Asian items.

In addition to offering an appealing salad or food bar, operators must promote it. Otherwise, the food bar could fail to bring in new patrons. Less than 40 percent of those polled in the survey check to see if a restaurant has a salad or food bar before going there to eat. Operators need to tell consumers about their food bars. Direct mailings that emphasize the salad or food bar, or radio spots highlighting the variety and quality of food bar items, are two such methods.

Target market

Who are the best targets for a promotional campaign featuring salad or food bars? Interestingly, they are the consumers least likely to have purchased from a food or salad bar. Among those polled, individuals with low incomes and without high school diplomas were the most likely to try a restaurant if they heard it had a good food bar. Whereas 30 percent of college-educated consumers agreed strongly that they would visit a restaurant based on a food bar recommendation, 53 percent of those with less than a high school diploma made the same claim. Similarly, although nearly 50 percent of those with incomes under $15,000 per year were strongly influenced by food bar recommendations, 42 percent of individuals with high incomes were strongly affected. Females also appear more likely to respond to the lure of a salad or food bar. Fifty percent of females agreed strongly that they would try a restaurant based upon its salad or food bar, compared with 38 percent of males. The greater likelihood that these consumers will try a restaurant based upon its having a good salad or food bar indicates their openness to promotional activities.

Furthermore, these groups of consumers tend to rate salad or self-serve food bars more highly than do other restaurant patrons. Nearly twice as many consumers without a high school diploma grade food bars excellent for quality of food, freshness of food, price-value and tastiness of food, compared to college graduates. Similarly, females were generally more likely than males to rate salad or food bars as excellent.

In sum

The popularity of salad and self-serve food bars among consumers is undisputed. Even though many restaurants have food bars, six in 10 consumers wish they were more widely available at tableservice restaurants. In fact, the survey suggests that word of a good food bar will bring in new customers.

—Laurence Greenberg

Food contractors are wooing—and winning—the institutional market

Food contractors are making inroads into the institutional market, and their steady sales are keeping pace with overall industry growth.

Food contractors are wooing—and winning—a larger share of the institutional foodservice market. In 1978 food contractors held 27.9 percent of all institutional foodservice[1] sales. By 1986 their share of the market had grown to 30.3 percent.

According to Malcolm Knapp, president of Malcolm M. Knapp, Inc., food contractors are capitalizing on their specialized expertise and economies of scale. Economies of scale provide a business a competitive advantage because as it grows in size, its unit production and operation costs decrease. With superior buying power, food contractors can often supply more varied and extensive foodservice than institutions operating on their own—often at a lower price.

Moreover, the competitive bidding process forces contractors to continually upgrade foodservice operations, resulting in higher quality, cost-effective foodservice for institutions.

Airline-market: strongest growth

Among all markets, in-transit (airlines) foodservice has shown the strongest growth for food contractors. In 1986 food and drink sales for food contractors at airlines rose 11.5 percent to top $798 million. Real growth was up a very strong 10.6 percent. This strong growth trend is expected to continue through 1988 with sales increases projected at 8.6 percent for 1987 and 9.1 percent for 1988.

Contractor share of institutional foodservice sale by sector

Food contractors are winning a greater share of the institutional market

	Food contractor share of total foodservice sales	
	1978	**1986**
Employee foodservice	62.3%	65.8%
Educational foodservice	27.3	31.1
Transportation foodservice	45.2	45.2
Recreational foodservice	27.2	27.1
Healthcare foodservice	8.4	10.9

Source: National Restaurant Association

The gains in food contractor sales at airlines are due to both increased airline traffic and increased market penetration. According to the Air Transport Association, annual airline passenger traffic has jetted from 294 million in 1982 to 447 million in 1987. From 1978 to 1986, food contractors' share of all airline foodservice sales rose from 51.9 percent to 53.3 percent. Food contractors' proportion of total transportation foodservice sales[2] was 45.2 percent in 1986.

The advent of airline deregulation helps to explain the increases in food contractor sales at the air carriers. Deregulation forced the airline companies to price fares more competitively. According to the Air Transport Association, in 1978, the year of deregulation, the average airline passenger paid $8.29 per mile of flight. Adjusting for inflation, in 1987 the typical passenger paid a much lower $6.34 per mile of air travel. Airlines are also offering more discount fares.

With less expensive fares, the airlines have had to control costs in order to maintain profit margins. Consequently, food contractors that can provide foodservice more cost-effectively have benefited.

Making inroads in employee foodservice

Food contractors have made their greatest inroads in the employee foodservice market.[3] In 1986 food contractors held 65.8 percent of all employee foodservice sales—up from 62.3 percent in 1978.

Within this segment, the biggest gains have come from serving commercial and office buildings. Food contractor sales at commercial and office buildings topped $981 million in 1986, a gain of 9.7 percent over 1985's level. Real sales showed an improvement of 5.7 percent. This market should continue its strong growth pattern, with food contractor sales projected to advance 8.5 percent in 1987 and 9.0 percent in 1988.

The strong growth in foodservice sales at commercial and office buildings has been fueled by the transition from an industrial to a service economy. This transition has resulted in an increase in the number of professional and managerial workers and a decrease in the number of blue-collar workers. According to the U.S. Bureau of Labor Statistics, from 1983 to 1987, professional and managerial employment rose 17.6 percent to 27.7 million.

The percent of operators, fabricators and laborers in the U.S. labor force, on the other hand, declined from 16.6 percent in 1982 to 15.6 percent in 1987. As a result, food contractor sales at industrial and manufacturing plants have suffered sluggish growth in recent years. In 1986 food contractor sales at these organizations inched up only 3.8 percent; in real terms, sales actually declined 0.2 percent. The recent surge in U.S. exports after the fall in the dollar is expected to boost industrial employment. Thus, food contractors could see improved sales for this market.

Healthcare market offers potential

Recently food contractors have turned their attention to a market that remained relatively untapped: healthcare foodservice.[4] In 1986 food contractors held only 10.9 percent of total healthcare foodservice sales—up from the 8.4 percent recorded in 1978.

The development of the DRG (Diagnosis Related Group), offers a possible explanation for why food contractors have made headway in the healthcare market. In 1983 Congress implemented DRG's, a payment system for Medicare patients that fixed charges in advance for different ailments, regardless of procedures performed or length of hospital stay. DRG's have forced healthcare administrators to trim costs and look for alternate sources of revenue. One area that has received increased scrutiny is foodservice.

Healthcare foodservice operators are exploring new avenues, such as outside catering, nutrition-education programs and community weight-control programs—areas that are often better served by food contractors than healthcare institutions. However, Knapp points out that food contractors are unlikely to dominate healthcare foodservice in the same way they do employee foodservice, because the healthcare market consists of a plethora of small hospitals and nursing homes. These organizations usually do not have a high enough patient count to justify food contractors bidding to run their foodservice operations.

An opportunity in education

Among all institutional segments, food contractors have seen the greatest market share improvement in educational foodservice.[5] In 1978 food contractors accounted for 27.3 percent of all educational foodservice sales. By 1986 this number had jumped to 31.1 percent. Sales have also shown stable growth; sales in 1986 reached $2.8 billion, up 7.4 percent over 1985's level. (The educational foodservice market as a whole saw only a 5.4 percent sales advance in 1986.) The above-average growth is projected to continue in 1987 and 1988. Within this segment, food contractors have made the strongest sales gains in the college and university market. Contractor food and drink sales at college and universities advanced 8.3 percent in 1986 to surpass $1.8 billion. In fact, much of the increase in food contractor sales over the past decade has been fueled by gains in student enrollment. According to the U.S. Census Bureau, college enrollment in the United States swelled from 11.1 million in 1978 to 12.4 million in 1986.

Foodservice sales by food contractors (000)

Sales are growing steadily in this sector. In 1986 foodservice sales by food contractors reached $10.1 billion. This represented real growth of 2.8 percent, a rate just below the 3.0 percent for the industry overall.

	Total sales (000)	Percent growth
1978	$5,549,018	11.2%
1979	6,241,695	12.5
1980	6,817,509	9.2
1981	7,343,516	7.7
1982	7,708,246	5.0
1983	8,241,656	6.9
1984	8,906,729	8.1
1985	9,460,211	6.2
1986	10,094,798	6.7
1987*	10,773,869	6.7
1988*	11,549,553	7.2

**Projected*

Source: National Restaurant Association

Food contractors' share of the college and university foodservice market increased from 32.6 percent in 1978 to 37.1 percent in 1986. Student demands for improved foodservice have contributed to the increase in food-contractor penetration of the market.

Food contractors have also upped their percentage of primary and secondary school foodservice sales—from 21.4 percent in 1978 to 23.4 percent in 1986. However, food contractors have not pursued this market as actively as they have the college and university foodservice market for two main reasons: (1) Most primary and secondary schools offer only one meal per day. (2) The primary and secondary school market consists of many small schools. (According to the U.S. Department of Education, more than half of all public and elementary schools have less than 400 students.) These schools do not have a high enough student population to warrant much attention from food contractors.

Recreational foodservice

Since 1978 food contractors have seen little change in their share of recreational foodservice sales[6], which equaled 27.1 percent in 1986. That year food contractors accounted for a larger share of food and drink sales at recreation and sports centers (56.3 percent). Nevertheless, this percentage declined slightly from the 57.8 recorded in 1978. The drop is due primarily to the continued proliferation of theme parks that operate their own foodservice.

Despite this decline in market share, food contractors have enjoyed solid sales growth in the recreational segment. Sales advanced 6.9 percent in 1986, surpassing the 5.6 growth rate reported for all recreational foodservice. Recreational food contractor sales are expected to continue their healthy pace of growth as sporting event attendance is expected to climb. The National Restaurant Association forecasts food contractor sales at recreation and sports centers to reach $1.6 billion by the end of 1988.

In sum

With advantages in economies of scale and specialized foodservice expertise, food contractors will play an increasingly important role in the institutional foodservice market.

—*Sebastian O'Kelly*

Footnotes

1. Includes the business, educational, government and institutional organizations that operate or contract their own foodservice. Food is provided as an auxiliary service to complement other activities. The military is not included.
2. Includes foodservice at airlines, railroads and passenger/cargo liners.
3. Includes foodservice at manufacturing and industrial plants, commercial and office buildings, seagoing ships and inland waterway vessels.
4. Includes foodservice at nursing homes, voluntary and proprietary hospitals, state and local short-term hospitals, long-term hospitals and federal hospitals.
5. Includes foodservice at public and private colleges and universities and primary and secondary schools.
6. Includes foodservice at recreation and sports centers, drive-in movies, bowling lanes, clubs, and sporting and recreation camps.

Restaurant beverage consumption update

What were the top beverage choices at restaurants in 1987? How are consumers' beverage choices changing? A new National Restaurant Association research study examines these issues and provides some up-to-date insights on the beverage preferences of restaurant patrons.

Away-from-home* beverage choices, 1987

Soft drinks are the top choice at all types of restaurants

	By individuals	**By volume**
Soft drinks	66%	38%
Coffee	29	21
Tea	21	13
Milk	11	3
Fruit juices	9	2
Bottled waters	1	**
Other nonalcoholic beverages	18	5
Liquor	11	2
Wine	7	2
Malt	13	15

*"Away from home" includes fast food restaurants, other restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, schools, picnics/camping or another person's home

**Less than 1 percent

Source: National Restaurant Association, NFO Share of Intake Panel

Last year the National Restaurant Association commissioned a special study to investigate consumer beverage choices at restaurants in 1986 and to examine changes since the beginning of the decade (see "Who Drinks What, Where," ***Restaurants USA,*** August 1987). Recently, the association commissioned an update to this original study to explore restaurant beverage consumption in 1987.

The data is obtained from NFO Research, Inc.'s Share of Intake Panel (SIP) and shows who is drinking which beverages, where they are consumed and how much is being consumed.

Beverages included in the study were soft drinks, coffee, tea, milk, fruit juices, bottled waters, other nonalcoholic beverages,* liquor, wine and beer.

An analysis of the 1987 SIP away-from-home** information indicates that soft drinks were again the most popular beverages, alcohol consumption remained essentially at 1986's level and coffee consumption edged downward.

The analysis of away-from-home beverage consumption is based on two different measures: (1) the total volume or ounces consumed and (2) the number of drinkers consuming a beverage. The number of drinkers, referred to as *penetration*, is a measure of product appeal whereas the *volume* shows the total consumption that a particular beverage attracts. Since both of these measures can be examined on a demographic basis, such as age and sex, the SIP data provide information on who is consuming each beverage.

Alcoholic beverages

An examination of total alcoholic beverage consumption at restaurants other than fast food between 1986 and 1987 shows that the volume consumed remained essentially stable. If consumption in 1980 is used as the base year and set equal to 100, the volume of alcoholic beverage consumption in 1987 was down approximately 17 percent, but still remained above 1984's low.

Nonetheless, consumers altered their liquor and beer consumption patterns at tableservice restaurants between 1986 and 1987. In fact, 1987 marked the highest level of liquor consumption at tableservice restaurants on a volume basis since 1980. Liquor exhibited a volume increase over 1986's level but beer posted a volume decline. Wine consumption (which includes wine coolers) was essentially unchanged from 1986's level.

When alcoholic beverage consumption at tableservice restaurants is examined by sex, it appears that females are drinking more. Recent association analysis of SIP data indicated that consumption of beer by women was growing. (See "Beer Consumption: Not for Men Only," ***Restaurants USA,*** November 1987.) An analysis of the 1987 SIP data indicates that this trend not only is continuing for beer but also appears to be occurring with liquor and wine.

In 1987 consumption of liquor by women on a volume basis at tableservice restaurants was at its highest level since 1980. Wine consumption by women edged upwards in 1987 and equaled 1980's level.

Soft drinks dominate

An analysis of the 1987 SIP information indicates that soft drinks remain the undisputed away-from-home beverage leader. In 1987 more than twice as many beverage consumers ordered soft drinks as coffee, the second most popular beverage. About 21 percent ordered tea, 11 percent milk, 9 percent fruit juices and 1 percent bottled waters. (Note: These figures add up to more than 100 percent because one person could order more than a single beverage.)

In terms of volume for 1987, soft drinks captured a 38 percent share, followed by 21 percent for coffee and 13 percent for tea. Despite dramatic growth for bottled waters since 1980, the total away-from-home volume consumption in 1987 still represented less than a 1 percent share of total away-from-home beverage consumption.

In 1987 consumption of nonalcoholic beverages remained fairly stable compared to 1986, with coffee as the only exception.

Who was responsible for the demand for soft drinks in 1987? SIP data indicate that consumers in their

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*Includes chocolate/cocoa, milkshakes/malts, fruit drinks and powdered soft drinks.

**"Away-from-home" refers to fast food restaurants, other types of restaurants, bars and private clubs. It does not include beverages consumed elsewhere, including sporting events, private in-house parties, office/work, school, picnics, camping or another person's home.

Beverage consumption at fast food restaurants, 1987

Soft drinks were by far the leading seller at fast food restaurants

	By individuals	**By volume**
Soft drinks	71%	59%
Coffee	19	18
Tea	11	7
Milk	7	3
Fruit juices	6	2
Other nonalcoholic beverages	15	8
Alcoholic beverages	3	3

Source: National Restaurant Association, NFO Share of Intake Panel

Beverage consumption at tableservice restaurants, 1987

Coffee and tea were more popular beverages at tableservice restaurants than at fast food establishments

Nonalcoholic beverages	**By individuals**	**By volume**
Soft drinks	50%	30%
Coffee	32	29
Tea	25	20
Milk	9	4
Fruit juices	8	2
Bottled waters	1	*
Other	11	3
Alcoholic beverages		
Liquor	10	2
Wine	8	3
Malt	10	7

*Less than 1 percent

Source: National Restaurant Association, NFO Share of Intake Panel

twenties and thirties accounted for half of the consumption on a volume basis. Teenagers accounted for an additional 15 percent. Of particular note is that children age 12 and younger claimed almost 13 percent of soft drink consumption in 1987—an amount larger than that consumed by individuals age 50 and older (11 percent).

While the popularity of soft drinks continues to grow in the 1980s, away-from-home coffee consumption is decreasing. Between 1980 and 1987, the volume of away-from-home coffee consumption declined by approximately 19 percent as did the number of coffee orders.

Tea, on the other hand, continues to enjoy prominence. The volume of away-from-home tea consumption grew by almost 17 percent between 1980 and 1987.

Soft drink specifics

Who drinks which type of soft drink at restaurants? A recent National Restaurant Association research study, *Beverages Preferences: Consumer Attitude and Behavior Study*, offers some insights.

Women are somewhat less likely than men to order regular soft drinks and are more likely to order diet soft drinks. Sixty-two percent of males indicate that they are likely to order a regular cola in a restaurant, compared to 46 percent of females. However, 42 percent of females are likely to order a diet cola, compared to 31 percent of males.

Demand for caffeine-free cola is nearly as strong as for diet cola. Thirty-seven percent of consumers say they would be likely to order diet cola in a restaurant, and 34 percent say they would be likely to order caffeine-free cola. Thirteen percent indicated that they would never order any type of soft drink when dining out.

Among those consumers who drink soft drinks away from home, a large proportion agree that restaurants should offer both diet soft drinks and decaffeinated soft drinks. In addition, almost three out of four individuals who consume soft drinks away from home claim to be loyal to specific brands and request them when eating out.

What is SIP?

The purpose of NFO Research, Inc.'s Share of Intake Panel (SIP) is to monitor the consumption of all beverages both at home and away from home. Every week, approximately 210 households are selected from the NFO Research Inc. panel base of 400,000. These households, which are balanced to match the latest Bureau of the Census information, are mailed a diary to record information on the entire household's beverage consumption over a two-week period.

Applicable data collected through the use of the SIP diary includes the sex, age and income of the beverage consumer, and, most important, total volume in ounces of the beverage consumed.

Panelists are taught how to accurately measure the volume of their beverage consumption, especially when away from home.

Comparing SIP information from year to year yields insights into the changing beverage preferences of away-from-home consumers.

Consumption by restaurant type

In 1987 tableservice restaurants garnered 45 percent of the volume for away-from-home beverage consumption. Fast food restaurants claimed 37 percent, and bars and clubs accounted for 18 percent.

☐ **Fast food.** Seventy-one percent of consumers who ordered beverages at fast food restaurants in 1987 ordered soft drinks. Coffee placed second in orders, at 19 percent. Examining consumption by volume in 1987 shows that soft drinks dominated fast food beverage choices with a 59 percent share, followed by coffee with an 18 percent share.

☐ **Tableservice restaurants.** In terms of penetration, soft drinks dominated beverage orders at tableservice restaurants for 1987 (50 percent). Coffee and tea, however, were more popular beverages at tableservice establishments than at fast food restaurants. Penetration rates were 32 percent and 25 percent, respectively, followed by milk at 9 percent.

—Hudson Riehle

A review of industry health insurance plans

According to a new study by the National Restaurant Association, the characteristics of health insurance coverage provided by restaurant companies are similar in many ways, although small companies are much less likely than larger ones to provide a health insurance plan.

The association's *Survey of Health Insurance Coverage in the Restaurant Industry, 1987* provides information on the availability of employer-provided health-benefits coverage for industry employees, enrollment in health insurance plans and characteristics of plans, including eligibility and hours-worked requirements, deductibles, benefits paid and premiums.

Sales volume key

According to survey results, small restaurant companies, with sales volumes under $500,000, are unlikely to provide health insurance. Fifty-two percent of these firms provide no coverage; 27 percent provide coverage to both hourly and salaried employees.

As the accompanying table demonstrates, the likelihood of providing coverage for both hourly and salaried employees rises from 27 percent to 90 percent as sales volume increases. Few respondents with sales of $1 million or more provide no coverage.

The likelihood of providing health plans for salaried employees differs little between tableservice and fast food restaurants. For hourly employees, on the other hand, tableservice restaurants are somewhat more likely than fast food companies to provide coverage.

Many characteristics similar

For survey respondents providing health insurance coverage, many plan characteristics are similar regardless of company size or type of employee covered. Among the most prevalent features are a 90-day median waiting period prior to coverage, maximum individual benefit of $1 million, a median of 80 percent of benefits paid by the plan after the deductible is met and dependent coverage in more than 90 percent of cases. Median premium paid per employee, however, decreases as company sales size increases.

—Susan Mills

Percent providing health insurance coverage for hourly and salaried employees by type of plan and company sales volume, 1987

The likelihood of providing health insurance coverage for all employees increases with the company sales volume

Type of plan coverage	Under $500,000	$500,000-$999,999	$1 million-$4.9 million	$5 million-$9.9 million	$10 million and over
Hourly employees only	6%	8%	3%	3%	0%
Salaried employees only	15	16	21	20	10
Hourly and salaried employees	27	51	72	77	90
None	52	25	4	0	0

Source: *National Restaurant Association Gallup Survey, 1988*

Survey results help determine cost of mandated health insurance

Survey results have been used to help determine how passage of mandated health-benefits legislation might affect restaurant companies of various sizes. The Minimum Health Benefits for All Workers Act would require all employers to provide comprehensive health benefits to all employees who work 17½ hours per week, after a waiting period of 30 days. In addition, employers would be required to pay at least 80 percent of the premium for most workers and 100 percent of the premium for employees earning less than $4.19 per hour.

For restaurants with sales under $500,000, the estimated cost of the proposed legislation would average $18,500. This amounts to at least 4 percent of gross sales.

For companies with sales between $500,000 and $1,000,000, mandated insurance would average $31,000, or at least 3 percent of gross sales.

Companies in the $1,000,000 to $10 million range would see their health insurance costs quadruple.

Children believe what their parents tell them.

"You disgust me!"

"You're pathetic. You can't do anything right!"

"You can't be my kid."

"Hey stupid! Don't you know how to listen."

"I'm sick of looking at your face!"

"I wish you were never born!"

Words hit as hard as a fist.
Next time, stop and listen to what you're saying.
You might not believe your ears.

Take time out. Don't take it out on your kid.
[illegible]

Characteristics of health insurance plans for hourly employees by company sales volume, 1987

	Company sales volume				
	Under $500,000	**$500,000-$999,999**	**$1 million-$4.9 million**	**$5 million-$9.9 million**	**$10 million and over**
Percent of respondents providing coverage	32%	58%	74%	80%	90%
For respondents providing coverage					
Percent with an eligibility waiting period	78%	82%	85%	93%	91%
Median waiting period	90 days	90 days	90 days	90 days	90 days
Percent with minimum weekly hours requirement for coverage	81%	87%	88%	96%	93%
Median weekly hours required	30 hrs.	30 hrs.	30 hrs.	30 hrs.	30 hrs.
Percent with union negotiated plan	6%	1%	6%	11%	14%
Percent offering dependent coverage	96%	94%	93%	96%	100%
Deductibles					
• individual median	$150	$100	$100	$100	$125
• family median	$200	$250	$200	$250	$300
Maximum individual benefit, median (million)	$1M	$1M	$1M	$1M	$1M
Percent of benefits paid after deductible, median	80%	80%	80%	80%	80%
Percent of plans including well-baby coverage	29%	47%	47%	43%	42%
Percent requiring no premium from employee for individual coverage	35%	21%	23%	18%	21%
Median weekly premium paid for individual coverage					
• by employee	$15	$12	$11	$10	$6
• by company	$15	$13	$13	$11	$13
Percent requiring no premium from employee for family coverage	31%	25%	20%	18%	7%
Median weekly premium paid for family coverage					
• by employee	$30	$30	$30	$26	$17
• by company	$32	$37	$25	$25	$32
Median number of hourly employees enrolled in plan	5	9	15	38	800
Median number of hourly employees working in a typical week	18	32	65	150	2,550

Source: *National Restaurant Association Health Benefits Survey*

Health insurance plans for salaried employees, by company sales volume, 1987

	Company sales volume				
	Under $500,000	**$500,000-$999,999**	**$1 million-$4.9 million**	**$5 million-$9.9 million**	**$10 million and over**
Percent of respondents providing coverage	42%	68%	93%	97%	100%
For respondents providing coverage					
Percent with an eligibility waiting period	67%	69%	67%	88%	73%
Median waiting period	90 days	90 days	90 days	90 days	90 days
Percent with minimum weekly hours requirement for coverage	78%	90%	88%	85%	88%
Median weekly hours required	40 hrs.	36 hrs.	40 hrs.	32 hrs.	30 hrs.
Percent with union negotiated plan	4%	3%	4%	—	4%
Percent offering dependent coverage	91%	94%	95%	97%	98%
Deductibles					
• individual median	$150	$150	$112	$100	$137
• family median	$250	$250	$200	$250	$300
Maximum individual benefit, median (million)	$1M	$1M	$1M	$1M	$1M
Percent of benefits paid after deductible, median	80%	80%	80%	80%	80%
Percent of plans including well-baby coverage	32%	39%	46%	38%	40%
Percent requiring no premium from employee for individual coverage	64%	52%	57%	38%	46%
Median weekly premium paid for individual coverage					
• by employee	$13	$10	$11	$10	$6
• by company	$20	$19	$19	$14	$13
Percent requiring no premium from employee for family coverage	58%	45%	47%	24%	23%
Median weekly premium paid for family coverage					
• by employee	$36	$28	$25	$27	$17
• by company	$40	$40	$40	$28	$33
Median number of salaried employees enrolled in plan	3	4	7	20	120
Median number of salaried employees working in a typical week	4	4	8	22	325

Source: *National Restaurant Association Health Benefits Survey*

1 NEW ENGLAND

Location: Narragansett, RI
Association members: Anthony Conte, Alan Masciarelli
Operation: Antipasto
Profile: Fullservice, traditional Italian
In business: 3 years
Seats: 65
Meals served: Lunch, dinner

Located a mile off the beach in the resort town of Narragansett on Narragansett Sound, Antipasto does its peak business during the summer months. As its name suggests, it is famous for its antipasto bar, which has more than 50 items from all over the world.

While filling their plates at the antipasto bar, customers are able to look through a window into the kitchen to see the chefs at work, preparing dishes made from veal (deboned and cut on the premises), pasta and desserts such as cannoli and spumoni.

A light blue, burgundy-and-white decor and waiters attired in tuxedo shirts, bow ties, cummerbunds and black trousers make for a formal atmosphere, something co-owner **Anthony Conte** doesn't intend to change. "Business is excellent," he says. "That's why we don't go trendy. We've had a steady growth from the start."

2 MID ATLANTIC

Location: Abbotstown, PA
Association members: William and Annie Gaussman
Operation: Hofbrauhaus
Profile: Fullservice, midscale
In business: 10 years
Seats: 110
Meals served: Lunch, dinner

Hofbrauhaus owners **William and Annie Gaussman** came to the United States from Frankfurt, West Germany, 28 years ago. Although their restaurant serves such American fare as steaks, chicken and seafood, the majority of the dishes are German. *Wiener Schnitzel*—a veal cutlet, breaded and pan-fried—*Jaeger Schnitzel*, using pork, or *Schnitzel a la Holstein*, a veal cutlet topped with an egg, anchovies and mushrooms, are some of the specialties. William Gaussman recommends that these entrees be accompanied by potato dumplings, red cabbage or sauerkraut and a German beer or wine. Desserts include apple strudel, baked on premises, or a German chocolate or Black Forest cake.

Gaussman does some advertising, but mostly relies on word of mouth to bring customers to his restaurant, located halfway between York and Gettysburg, Pennsylvania. His customers are predominantly tourists, but regulars from nearby Washington and Baltimore also come. "Business is fantastic," he says. "Each year it gets better and better."

3 SOUTH ATLANTIC

Location: Wilmington, DE
Association member: Gerard Gallucio
Operation: Gallucio's Cafe
Profile: Midscale, casual
In business: 18 years
Seats: 125; 75 on the outdoor patio
Meals served: Lunch, dinner, Sunday breakfast

Business is up probably 15 percent over last year, says **Gerard Gallucio** of his restaurant, located a half mile from downtown Wilmington. He credits the good times to a four-year-old banking law that has brought more banks into the area. Gallucio describes his restaurant as a friendly, not highbrow place, where construction workers, Du Pont executives and even the mayor can all mingle comfortably.

The special at Gallucio's is *pizzato*, a dish in which veal, mushrooms, sweet green peppers, tomato sauce and slices of provolone cheese are heaped on a small round of pizza dough and covered with another round of dough before being browned in an oven. Conventional pizzas, subs and steaks are also served and are available for takeout.

During the winter, Gallucio has bartender nights, inviting a local celebrity to tend bar. Between 6 p.m. and 8 p.m. a chosen charity receives 25 cents for every drink sold plus half the bartenders' tips.

4 EAST NORTH CENTRAL

Location: Oshkosh, WI
Association members: Pat and George Schaefer
Operation: George's Gaslight Inn
Profile: Fullservice, family-style
In business: 16 years
Seats: 90
Meals served: Lunch, dinner

"Business is real good," says co-owner **George Schaefer** of George's Gaslight Inn, located a block off Oshkosh's main street. Famous for its overalls, Oshkosh is 80 miles north of Milwaukee, near Lake Winnebago. The paper mills operating within a 60-mile radius of the town make for a healthy economy. And although the restaurant is not a student hangout, a branch of the state university brings in catering business and a larger crowd for school-related celebrations.

The emphasis is on Italian food, with each dish made to order. Featured is a crabmeat canneloni, with layers of crab, a mushroom-wine sauce, lasagne noodles, grated cheese, and, if the customer chooses, a layer of spinach. Steaks are always available, and prime rib is the special every Saturday.

The decor is 1930s, with photos and replicas of 1930 and 1940 cars. The main dining room's walls are papered with pictures of women in deco dress, and fringed shawls are draped from the ceiling.

5 EAST SOUTH CENTRAL

Location: Oxford, MS
Association member:

Mike Seligman
Operation: The Gin
Profile: Casual, midscale
In business: 14 years
Seats: 174
Meals served: Lunch, dinner

Owner **Mike Seligman** renovated an old cotton gin, putting in wood floors, cypress walls, stained-glass windows and ceiling fans, and added memorabilia from all over to make his restaurant a popular gathering place for families, University of Mississippi faculty and students and business people. "Business has been fantastic," he says, adding that a just-completed movie, "The Heart of Dixie," has made The Gin an even greater attraction, since one of the scenes was shot in the restaurant. Seligman also expects business to get a boost when a large government plant is completed in town.

Steaks, burgers, raw oysters and boiled shrimp are the standard menu items, and a typical luncheon special might be an entree of fried chicken or Swedish meatballs with noodles, served with a choice of two vegetables—fried okra, turnip greens, snap peas, creamed or mashed potatoes—corn bread or rolls, and iced tea.

6 WEST NORTH CENTRAL

Location: Hannibal, MO
Association member: John Bogne
Operation: Mark Twain Dinette
Profile: Fullservice restaurant plus drive-in
In business: 46 years
Seats: 80 inside, 24 in outdoor cafe, 24 autos at drive-in
Meals served: Breakfast, lunch, dinner

The Mississippi river town of Hannibal, upstream from St. Louis, is famous as the birthplace of Mark Twain, and when the town celebrates Tom Sawyer Days the first week in July, the Mark Twain Dinette does its biggest business.

What began as a 12-seat diner is now a modern brick building that shares a city block with the Mark Twain house and museum. Tourists come in to enjoy the fried chicken or catfish, steaks, fried onion rings or home-brewed root beer. Most popular, says Bogne, is a *Maid-Rite sandwich*—loose, steamed beef on a bun.

July and August are always good months for the Mark Twain Dinette, but dinette owner **John Bogne** says June this year was as good as July of last year. He thinks the boom comes from holding his prices down, "even though we could get away with higher prices."

7 WEST SOUTH CENTRAL

Location: Heber Springs, AR
Association members: Jack Gay, Clay Grine
Operation: Red Apple Inn
Profile: Upscale restaurant—part of a motel and country club
In business: 25 years
Seats: 150, plus 50 and 40 in two private rooms
Meals served: Breakfast, lunch, dinner

Located on a 650-acre island in a lake in the foothills of the Ozarks, the Red Apple Inn caters to members of the country club, vacationers who stay in the adjoining motel and residents who live on Eden Isle.

"Although winter is a slow time, April through October are peak months, with October being the busiest because that's when people come to enjoy the foliage," says manager **Jack Gay.** "Business this year is about the same as last year—80 percent occupancy in the peak time, 30 percent during the winter."

Awarded four stars by the Mobil Travel Guide, the inn serves such dishes as prime rib, lobster and trout for dinner, innovative salads at lunch and country ham with red-eye gravy or Eggs Benedict at breakfast. A pastry chef makes the restaurant's desserts. *Paradise Pie*—an egg white, soda cracker and pecan crust filled with frozen whipped cream and topped with fresh coconut—is one of the most popular items.

8 MOUNTAIN

Location: Fort Collins, CO
Association member: Russell A. Phipps
Operation: Cuisine-Cuisine
Profile: Fullservice, upscale,
In business: 5 years
Seats: 75
Meals served: Lunch, dinner

Cuisine-Cuisine began as a headquarters for owner **Russell Phipps'** cooking classes and catering business. Customers persuaded him to open a restaurant in the same building, located just off downtown's main street. With its blue-beige color scheme, original art and tin ceiling, the restaurant has a European look. An old bank vault, left over from the days when the building was a title company, is on display. No smoking is allowed on the premises.

Every other week is a theme week, featuring either Cajun, Mediterranean, Caribbean, Southeast Asian or American Southwestern versions of Cuisine-Cuisine's regular dishes. "For example, we'll offer our chicken breast with lemongrass and hot Thai peppers for Southeast Asia week," says Phipps.

Business steadily increased the first four years, but has been down this summer, says Phipps. He blames it on increased competition, noting that the market is now saturated.

9 PACIFIC

Location: Portland, OR
Association member: Joseph Torres
Operation: The Last Laugh, Inc.
Profile: Fullservice, dinner show
In business: 4 years
Seats: 300
Meal served: Dinner

Stand-up comics from all over the country appear at the Last Laugh, Inc., in Portland's historic Old Town. But the name stems from winning a feud owner **Joseph Torres** had with a competitor.

The restaurant consists of a 5,000-square-foot room, with a rear section raised for better viewing of the stage. All tables seat four. While many comedy clubs are painted black, the Last Laugh is done in teal, with burgundy carpeting.

Torres has installed a computer system in his club, which he claims is very cost-effective. "Every 15 minutes it tells who is selling what and how much," he says.

Business was a little slow in 1987, notes Torres, but he credits more aggressive marketing techniques with making 1988 a better year. He organized fund-raisers and arranged parties for companies. "We have an average of 85 percent occupancy, and one in three Portlanders has been in the club," he says.

—Julie Fintel

Power ties for a power restaurant

Patrons who show up for dinner without a tie at the Jockey Club in Washington, DC, will find a distinctive power accessory waiting for them. Maitre d' Martin Garbisu, who insists that gentlemen wear ties while dining, recently replenished his supply of loaner neckwear from a collection of celebrities' ugliest ties.

Garbisu purchased the 19 ties during a fund-raising auction that benefited the Big Brothers organization. Those who show up at the restaurant *sans cravate* now can choose from a collection that includes Senator Paul Simon's signature gold-yellow-and-brown bow tie and talk show host Larry King's no smoking, red-and-blue polyester tie. Some of the other celebrity ties were formerly owned by ABC newsman Sam Donaldson, former Supreme Court nominee Robert Bork, Today Show weatherman Willard Scott, columnist George Will and comedian David Letterman.

—The Ritz-Carlton

Domino's delivers a new chain

There's an innovative new pizza delivery chain in south Florida called Pizza Dispatch, but experts say it doesn't pose a threat to the segment's leader, Domino's. How can they be so sure? Because the fledgling eight-unit "budget" chain was created by Domino's founder Tom Monaghan.

Like Domino's, the new chain promises delivery in 30 minutes or the customer gets $3 off the price of the purchase. But Pizza Dispatch pizzas are not the same product. They have a thicker crust and spicier sauce than pies from Domino's, with toppings that include pineapple, hot peppers and chorizo sausage.

The main difference, however, is price and size. Plain cheese pizzas from Domino's cost $6.40 for a 12-inch pie and $8.65 for a 16-incher. Pizza Dispatch charges $4.20 for a 10-inch plain cheese pie and $6.15 for a 14-incher.

According to Greg Sausaman, the new chain's development director, Pizza Dispatch won't compete directly with Domino's. Pizza Dispatch's market, he says, is "the price-sensitive consumer," such as singles and small families on tight budgets, "who now might be eating cheaper, lesser-quality pizza."

—USA Today

Melts only in the mouth?

If researchers at Battelle Memorial Institute in Geneva are correct, M&M's might soon be looking for a new slogan. The scientists say they have developed a new chocolate that will stay firm at temperatures as high as 100 degrees Fahrenheit without any change in taste. That's 25 degrees higher than the melting point for most chocolates. The new chocolate distributes water molecules in a predetermined matrix throughout the chocolate. The water keeps the fats in the chocolate from blending together as the temperature rises. But is it safe on the dashboard or in a kid's pants pocket?

—USA Today

Budging the cold war

With an optimistic sense of peace prevailing between the United States and the Soviet Union, one American company, Bresler's Ice Cream and Yogurt Shops, has introduced a treat guaranteed to end the "Cold War"—the Czar Bar.

Czar Bar

B★r

Bresler's ice cream & yogurt

Czar Bar is a wedge of rich French-cream cheesecake, dipped in dark chocolate, rolled in cinnamon graham-cracker crumbs and served on a stick. Bresler's chose the Russian-theme name and packaging after achieving high name recall in study groups, and to create a new, fun, tongue-in-cheek product. The box and promotional signage sport a Russian soldier in uniform, an image unique in the treats market.

According to David Lasky, president of Bresler's, a high level of consumer curiosity and product recognition is expected to help the Czar Bar compete with the super-premium ice cream bars sold in grocery stores.

—Bresler's Ice Cream and Yogurt Shops

Unstable beer prices mimic Dow Jones

The Customs House, a white tablecloth restaurant located in New York City's financial district, is attempting to alleviate some of the "Black Monday Blues" to which Wall Streeters recently have fallen prey. By discounting beer prices in accordance with the daily close of the Dow Jones, the restaurant hopes to give traders a lift.

According to owner Robert Sullivan, if the Dow Jones closes at 2095.43, for example, a beer that evening will be sold at $2.10 plus tax. The restaurant's standard beer price is $2.75 plus tax.

—The Customs House

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HARITY NEWSLETTERS

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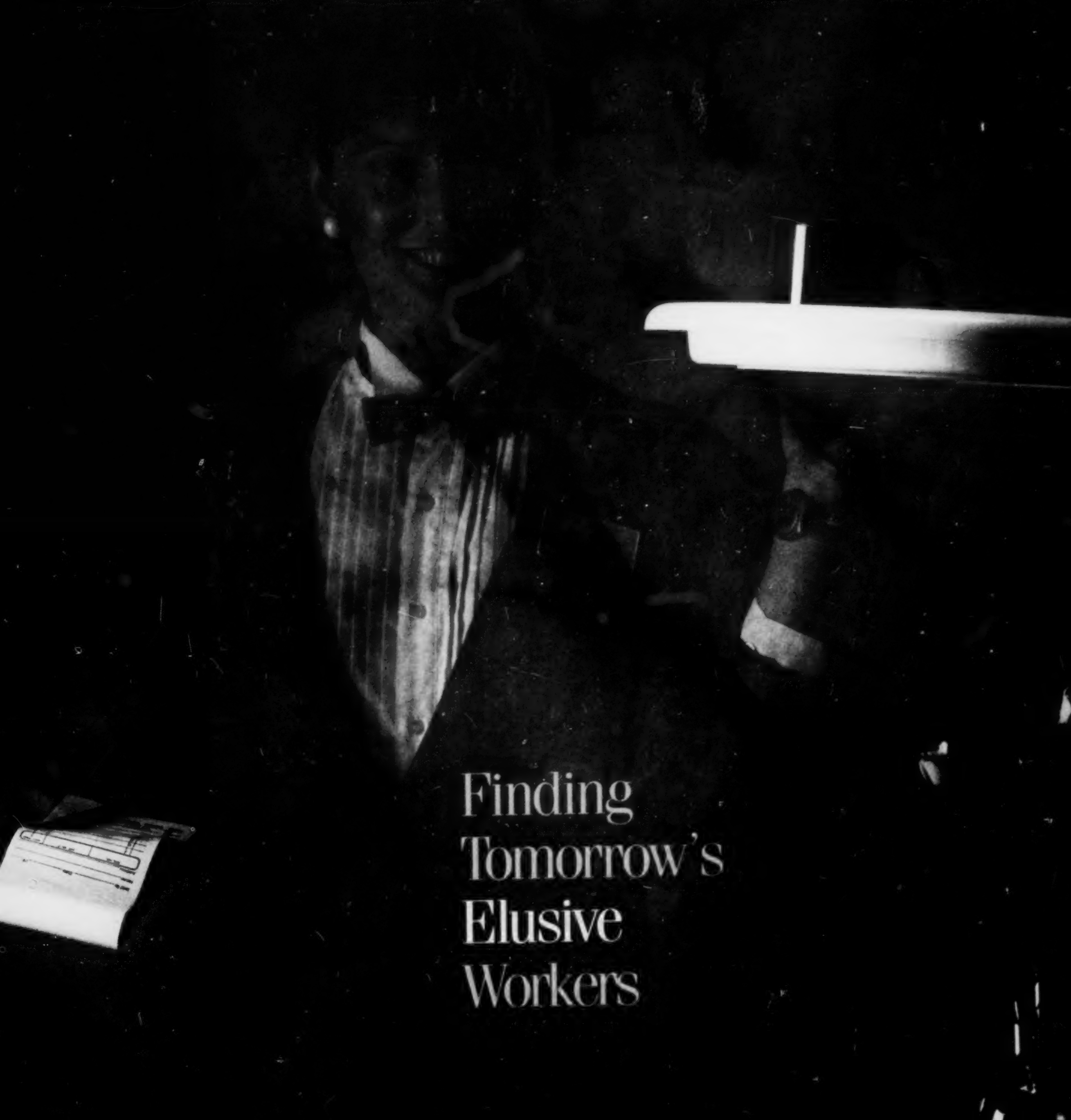
RESTAURANTS USA



Finding Tomorrow's Elusive Workers

ASSOCIATION MEETINGS

SEMINARS

Basic Foodservice Courses

Dining Room Management

9/20	Des Moines, IA
9/21	Chicago, IL
10/4	Baltimore, MD
10/6	Portland, ME
10/12	Phoenix, AZ
10/13	Denver, CO
11/2	Minneapolis, MN
11/3	Madison, WI
11/7	Nashville, TN

Increasing Sales: Effective Front-of-the-House Management

9/20	St. Louis, MO
10/25	Chicago, IL
11/10	Seattle, WA

Kitchen Management

9/19	Atlantic City, NJ
9/27	New York, NY
9/27	San Francisco, CA
9/28	Nassau/Suffolk, NY
9/28	Anaheim, CA
10/3	Newport, RI
10/12	Knoxville, TN
10/17	Williamsburg, VA
11/9	Orlando, FL
11/10	Miami, FL

Tools for Training

9/13	Grand Rapids, MI
9/15	Nassau/Suffolk, NY
11/15	Kansas City, MO

Food Production Courses

Fish and Seafood

9/14	Minneapolis, MN
10/3	Washington, DC
10/5	Cincinnati, OH
10/18	Atlanta, GA
11/10	Chicago, IL

Soups and Sauces

10/24	Tampa, FL
10/25	Orlando, FL

Foodservice Management Courses

Banquet Management

9/20	Atlantic City, NJ
9/22	Hartford, CT
10/18	Louisville, KY
10/20	Portland, OR
11/9	Washington, DC
11/10	Boston, MA

Do-It-Yourself Public Relations

10/3	Milwaukee, WI
10/4	Minneapolis, MN
11/2	Philadelphia, PA
11/3	Cincinnati, OH

Food Cost Management

10/17	Burlingame, CA
10/18	Anaheim, CA

Hiring in a Tight Labor Market

9/15	Washington, DC
9/19	Newark, NJ
9/20	Atlantic City, NJ
9/22	Worcester, MA

Menus that Sell!

9/21	Indianapolis, IN
11/14	Portland, OR
11/15	Seattle, WA

Off-Premises Catering

9/28-29	Beverly Hills, CA

Operational Analysis

9/22-23	Norfolk, VA
10/12-13	Columbus, OH
10/27-28	Minneapolis, MN
11/9-10	Riverside, CA

Planning and Implementing a Restaurant Marketing Strategy

9/19-20	Atlantic City, NJ
10/4-5	Ft. Worth, TX
11/2-3	Jacksonville, FL

Planning Successful Buffets

9/19	Atlantic City, NJ
9/26	Toronto, Ontario
9/28	Halifax, Nova Scotia
10/3	Cleveland, OH
11/7	Indianapolis, IN

Profitability

10/19	Dearborn, MI
10/21	Milwaukee, WI

Restaurant Design

9/29-30	New Orleans, LA

1988 California Wine Workshop

9/24-30	Napa Valley, CA

For information, contact:
Educational Foundation of the National Restaurant Association,
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(312) 782-1703

If your company is interested in our in-house programs, call or write to the attention of Larry Fidel at the above address.

EXECUTIVE STUDY GROUP SERIES

Financial Officers

10/5-7	Monterey, CA

Foodservice Purchasing Managers

9/21-23	Boston, MA

Labor Relations

9/15-16	Columbus, OH

Large Independent Operators

9/14-16	Frankenmuth, MI

Management Information Systems

10/11-14	Hilton Head, SC

Marketing Executives

10/16-19	New Orleans, LA

Multi-unit Architects, Engineers and Construction Officers (MAECO)

10/26-28	Orlando, FL

Quality Assurance

10/12-14	Orlando, FL

Tax Executives

10/5-7	Monterey, CA

For more information on specific study groups, contact: Philip Kralovec, (312) 853-2525.

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PRESIDENT'S REPORT

Jim L. Peterson, President and Chief Operating Officer
Whataburger, Inc., Corpus Christi, TX

Political affairs are at the top of the association's priority list this month. We all have a chance to influence Washington's power base by attending the fourth annual Public Affairs Conference from September 26 to September 28 at the Capital Hilton Hotel in Washington, DC. Not only does the conference give restaurant operators "hands-on" experience in the legislative process, but also a strong national showing by restaurateurs lends credence to the association's year-round fight for representation.

Public Affairs Conference, September 26-28

At this year's conference, we'll hear from top lawmakers, including Senator Alan Simpson (R-WY) and House tax expert Representative William Frenzel (R-MN). We'll also get election-year perspectives from *New Republic* Editors Fred Barnes and Morton Kondracke.

The association's staff will schedule meetings for you on Capitol Hill with your representatives and senators. After arriving in Washington, you will be briefed on current legislation pending in Congress. And you'll attend our popular "Chef d'Oeuvre" reception, an elegant event featuring food from some of Washington's finest restaurants that attracted nearly 250 members of Congress last year.

For more information about this important political event, contact the association's Government Affairs Department at 1-800-424-5156 or (202) 331-5900.

Association continues to fight legislative battles

The coming weeks are crucial in terms of pending legislation and the outcome of the fall election. Congress has had a disjointed session this summer because of recesses for the political conventions, and that may mean a flurry of activity at session's end. Here's a brief rundown of four issues the association is actively tracking:

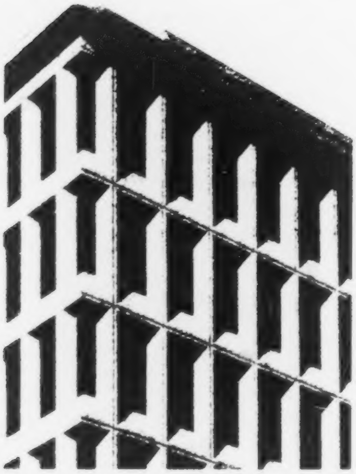
Business-meal deduction. A conference committee is reported to have rejected recent proposals to pay for welfare reform by phasing out the business-meal deduction for certain individuals and unincorporated businesses. But the association continues to lobby to keep the proposal out of the final bill.

TJTC. The House voted to extend the Targeted Jobs Tax Credit (TJTC) for two years beyond its expiration date of December 31, 1988. The Senate may consider a similar measure soon.

Parental leave. The House parental leave bill is scheduled for debate and a vote on September 14. The Senate is expected to vote on a similar bill before adjournment. Both bills would require employers to give workers a limited number of weeks off in parental and medical leave.

Minimum wage. Neither house has scheduled a floor vote on a minimum-wage-hike bill. Passage of an increase is still uncertain.

Our government affairs staff is making every effort to lobby Congress on industry-related issues. On the minimum wage issue alone, it has generated more than 85,000 messages to congressional representatives and senators. At the same time, our Political Action Commit-



tee is working to support candidates in this year's election who comprehend our industry's views.

U.S. Culinary Team gears up for "olympics"

The association is proud to be sponsoring the 1988 U.S. Culinary Team's participation in the 17th International Culinary Competition. Also known as the culinary "olympics," this competition will be held in Frankfurt, West Germany, from October 16 to October 20, 1988. The U.S. Culinary Team is made up of some of America's finest chefs, and their participation presents an opportunity to promote the excitement and sophistication of American cuisine. The American team's efforts are being financed by the U.S. Culinary Team Foundation, an organization established by our association and the American Culinary Federation.

AIDS videos can help train staff

Restaurant operators have a new tool to help educate employees about AIDS and the issues surrounding the disease. It is in our best interests to help managers and employees understand AIDS before they have to deal with an AIDS-related situation or rumor. The association has produced a two-part set of videotapes called *The AIDS Issue*. The first tape helps your staff understand the laws surrounding the employment of persons with AIDS. It suggests ways for managers to deal with employees or patrons who may fear that an employee could pass on the AIDS virus. The second tape is directed at all employees, emphasizing the fact that AIDS is not a foodborne disease and that it is not passed through casual contact. To obtain the tapes, send a check for $33.95 to the association's publications department.

New Current Issues Report to look at the future

The association's research department will soon release the results of its study, *The Foodservice Industry in the Year 2000*. A panel of experts, including the National Restaurant Association Board of Directors, was surveyed about its views of the state of the foodservice industry at the turn of the century. The result is a report offering a futuristic view of foodservice topics, including industry structure, the nature of the work force and food technology. Key members will receive the report in the mail soon; so check your mailbox for this glimpse into the future.

Liquor liability insurance available through BRICO

Association members are eligible for liquor liability insurance through the Beverage Retailers Insurance Company (BRICO). This new company was formed by six hospitality associations, including ours, to help ease the insurance crisis created by inflated prices for liquor liability coverage. For more information and an application, call BRICO at 1-800-541-0392.

The association continues to grow as the largest trade organization for the foodservice industry. We welcome the 125 new members who joined the association in August.

Sincerely,

Jim L. Peterson

Jim L. Peterson
President and Chairman of the Board

NATIONAL
RESTAURANT
ASSOCIATION

Officially Endorsed
GROUP
INSURANCE
PLANS

Important
Protection
designed just
for members.

Look
for more details
in this issue!

COVER STORY: WHERE WILL THE WORKERS COME FROM?

12 Rapid expansion of the foodservice industry coupled with changing demographics has created thousands of job openings that operators are finding difficult to fill. This cover story takes a fresh look at the labor force and tackles the issue of finding qualified, motivated and reliable employees.

18 Scrambling for help in New Hampshire
With an unemployment rate of 2.3 percent, New Hampshire operators must use new approaches to lure workers.

SPECIALS

20 Employees benefit from charity events
Thanks to the initiatives of their employees, restaurants across the country are donating their time and efforts to charity events. These events are not only good for the charities, but the restaurants also benefit—from positive publicity and improved staff morale.

24 Cookoffs—Battle of the saucepans
Restaurants face off in heated cookoff competitions to prove their fare is the best in the land. Preparing for a cookoff takes a lot of time and effort, but the payoff in profits, exposure—and fun—makes the hard work worthwhile.

27 Newsletters—A lifeline to customers
Newsletters can be an effective personal tool for staying in touch with customers. This article explores how newsletters can be used to educate, inform, entertain and promote. Don't miss the sidebars on how newsletters are being used to communicate with employees and hotel guests.

THE ... INGREDI
EPICUREAN

27 Don't let your newsletter become just another piece of junk mail
Fired up to start your own newsletter? Use these guidelines to help you create an effective newsletter—that is, one that will be read and acted upon.

33 Introducing desktop publishing
Desktop publishing opens up the world of publishing, and the process is not as complicated as it seems.

35 Risotto
This northern Italian specialty is considered "the king of rice dishes." Recipes with ingredients from pumpkin to veal marrow prove its versatility.

DEPARTMENTS

6 Short Orders
☐ Association's liquor liability insurance
☐ Safety operations manual has been updated
☐ Vo-tech students compete in skills olympics
☐ In Texas everything is bigger
☐ Rewarding customer satisfaction
☐ Chefs support Meals on Wheels
☐ People line up to eat at 1938 prices at Lawry's

8 Washington Report
☐ Restaurateurs adapt to IRCA
☐ DC Roundup
☐ Third sugar substitute approved by FDA

10 Boardroom
☐ Alcohol Awareness Task Force meets
☐ The Manor wins awards

10 Feedback
☐ Letters to the editor

11 To Your Health
☐ Surgeon General recommends nutrition measures for operators

26 Fisher's Law
☐ The management decathlon

38 Foodservice Trends
☐ New restaurant industry operations study
☐ The American drought—its effect on food prices
☐ Takeout—spearheading industry growth
☐ CREST report—spring quarter 1988

44 Foodservice Market Measure
☐ A new monthly survey conducted in cooperation with the Gallup organization

45 How's Business
☐ Operators discuss regional business trends

47 Food for Thought

Cover photo by Gary Landsman

SEPT

1988

Association's liquor liability insurance available

The National Restaurant Association is finally able to make available to its members low-cost comprehensive liquor liability insurance. The insurance is being offered by BRICO (Beverage Retailers Insurance Company, Risk Retention Group), a risk retention group formed by a consortium of the National Restaurant Association and five other hospitality-related associations. Because BRICO is owned by its insured, it is concerned with consistent coverage at realistic rates, not creating short-term profits for stockholders. BRICO's rating procedures make a distinction between the different categories of licensed beverage retailers (pubs/taverns, restaurants, package goods retailers, hotels/motels) and takes into consideration geographic location.

For information or an application, call 1-800-961-0392.

Safety operations manual has been updated

The new, revised edition of the National Restaurant Association's *Safety Operations Manual* is now available. The manual contains updated information concerning the preparation of an in-house safety program and includes advice on developing an effective self-inspection system. It also discusses the human, educational and physical elements of any safety program and outlines information on insurance, security, planning for emergencies, first aid, OSHA and fire protection.

To buy the manual, call or write the association's publications department. Cost is $13.95 to members, $18.95 for nonmembers, with an additional $2 mailing cost for both. Callers must pay by credit card.

People line up at Lawry's

When Lawry's The Prime Rib in Beverly Hills, California, opened its doors in 1938, it charged customers just $1.25 for a prime-rib dinner—roast prime ribs of beef, salad, mashed potatoes and buttered peas. Coffee cost 10 cents a cup, and English Trifle could be had for a trifling 25 cents. Today the same meal would cost more than $20.

In honor of its 50th anniversary, Lawry's decided to roll back its prices to those cheaper days, and more than 1,000 people lined up to take advantage of the bargain. Among them was Louise Murray, who had been in the restaurant in 1938.

A swing band playing hits from the 30s and 40s, along with a magician and mime and puppeteer, entertained guests who had to wait as long as four hours for the restaurant to open. People sat in beach chairs, mingled with one another and read paperbacks and newspapers to pass the time.

Law
SEAS
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SA

More than 1,000 people lined up for a $1.25 prime rib dinner at Lawry's The Prime Rib in Beverly Hills. Lawry's rolled back prices to its opening day in 1938. The meal, which typically costs more than $20, is displayed by the president of Lawry's Restaurants, Inc., Richard N. Frank, and Executive Chef Carl Winters.

In Texas everything is bigger

When the Texas Restaurant Association throws a party, it serves Texas-size food. In this case it was the association's 51st annual convention and exhibition, with the world's largest fajita as the major attraction.

More than 350 pounds of smoked beef skirt steak were placed on a 194-foot flour tortilla made from 130 pounds of tortilla mix. For garnishing, there were seven gallons of picante sauce, 81¼ pounds of shredded lettuce and 65 pounds of shredded cheddar cheese.

The crowd who attended the party held at Houston's Astrohall on June 25, was Texas-size too: 20,000 people came throughout the day to watch the giant fajita being assembled, listen to a rock-and-roll band and see the Annual Fajita Meet, a competition for the best fajitas in Houston restaurants, sponsored by the association's Houston chapter. The overall winner—and people's-choice winner—was Cinco Robles Mexican Restaurante. Great Charcoal Chicken Co. won for the most original fajita and Casa Ole Mexican Restaurante and Cantina won for the most tender fajita and best booth decoration.

Attendees of the 51st annual Texas Restaurant Association convention created "the world's largest fajita."

Chefs keep Meals on Wheels rolling

Things got hot for Anne Rosenzweig, chef of Arcadia and the 21 Club, during the American Chefs' Tribute to James Beard for Citymeals on Wheels in New York this June. On her right were the bonfire-high flames that Four Seasons' Chef Seppi Renggli had going for his grilled bratwurst. On her left was Chef Mark Miller of Coyote Cafe grilling boneless loins of New Zealand spring lamb, which he served on miniature sage-flavored tortillas. The heat and smoke were overwhelming. Still, Rosenzweig kept her Cajun-style pies—of ground New Zealand spring lamb and sweet potatoes, served with a cherry-rhubarb chutney—coming for the sellout crowd of 1,000 who devoured them with gusto. Guests had paid $350 each for the pleasure of nibbling these and other delicacies prepared by such stellar chefs as Larry Forgione, Bradley Ogden, Wolfgang Puck, Paul Prudhomme, Edna Lewis, Stephan Pyles, Jeremiah Tower, Alice Waters, Jonathan Waxman, Alfred Portale, and Jimmy Schmidt.

Chef Anne Rosenzweig's Cajun-style meat pies were hot-selling items at the benefit for Citymeals on Wheels held in New York City.

Rewarding customer satisfaction

Each quarter, employees of the Wood Company who put forth an extra effort to make their customers happy are rewarded with a hospitality pin—and cash—by the regional foodservice company, based in Allentown, Pennsylvania.

Designed in the shape of a pineapple, the symbol of hospitality, the pins are upgraded each successive time the pin is awarded. For example, a three-time winner receives a 10-karat gold pin and a four-time winner receives the same gold pin with a diamond chip.

The pins are presented by management at regional award dinners, and winners are also announced in the quarterly management newsletter. A personal profile of a few of the winners is featured in the company's employee newsletter.

These thank-yous are part of a program called "We Want Happy Customers" (WWHC), which was implemented last year in five eastern states to focus employee attention and effort on customer satisfaction and to increase employee awareness of their contributions to a team effort.

The program sets standards of customer satisfaction and shows its employees how to meet them. A program coordinator facilitates the guidelines in each of the company's five main areas. So far 700 of the company's 4,000 employees have received awards.

A company survey shows a 14 percent increase in customer satisfaction since the introduction of the WWHC program. According to Bob Wood, company president, the program has also been successful in raising employee morale.

Happy customers make for happy employees at the Wood Company.

Vo-tech students compete in skills olympics

It wasn't Seoul, Korea. It was Wichita, Kansas. And it was June, not September, when the Vocational Industrial Clubs of America held its own Olympics. There were no javelin throwers or wrestlers or high divers. Instead, more than 2,500 outstanding vocational students joined in the excitement of hands-on competition in 38 different trade, technical and leadership fields.

Six culinary arts students won medals for their skills in preparation techniques, sanitation, ability to follow directions, creativity, plate appearance and taste. Winners in the high school division were: Rob Shiller, Hennepin Technical Institute, Eden Prairie, Minnesota; John Johnson, Maryville High School, Phoenix, Arizona; and Daniel Sagalski, Bullard Havens Vo-Tech, Bridgeport, Connecticut.

In the postsecondary division the winners were: Chris Warosh, Fox Valley Technical College, Appleton, Wisconsin; Charlie Lee Fraley, Elizabethtown SVTS, Elizabethtown, Kentucky; and James W. Archer, Pinellas Vo-Tech Institute, Clearwater, Florida. Professional chefs judged the contestants on the basis of accuracy and workmanship.

WASHINGTON REPORT

Restaurateurs adapt to IRCA

As the Immigration Reform and Control Act (IRCA) swings into full gear, restaurateurs around the country are having widely varying experiences with the new law and its effect on paperwork and hiring.

Why IRCA

Attracted to the United States by the promise of jobs, illegals came pouring into the country until their numbers reached 6 million two years ago.

To regain control of borders and to discourage illegal aliens from flooding the job market, Congress passed the long-debated Immigration Reform and Control Act (IRCA) in November 1986, which requires all employers to verify each worker's eligibility and prohibits them from hiring any unauthorized workers.

Slow phase-in

The law has been gradually phased in since November 1986. A six-month education period was followed by a year-long "warning period" that ended this June. During the warning period, the Immigration and Naturalization Service (INS) issued warnings, rather than fines, to first-time violators of the new law.

INS's top priority, say agency spokespersons, is to encourage voluntary compliance with the law. Between June 1987 and June 1988, INS officers made more than 1 million educational visits to employers, distributing employer handbooks, examining workplace records and explaining to employers where they were going wrong.

Paperwork overload

All employers must now contend with filling out and holding onto Employment Eligibility Verification forms ("I-9s") for all new hires.

With the 2.1 average annual turnover rate that tableservice restaurants experience, this poses special problems for restaurateurs. Not only is the paperwork multiplied, but Ron Salisbury, of Restaurant Business, Inc., in Los Angeles—a firm that owns and operates six restaurants—says the increased paperwork responsibilities also pull his managers and staff away from other duties. "I'm not personally able to do all the checking," a nervous Salisbury notes. He says he fears that one person hired in a pinch may fall through the cracks.

Fritz Magnusson (Steak Rustlers, El Paso, Texas) agrees. "The I-9 form is labor-intensive. I don't have a manager to keep up with the paperwork. I'm it—a one-man show."

Magnusson, in fact, has decided to get out of the restaurant business in part because of the paperwork burdens.

Employers who are able to devote staff and computer resources to help keep the paperwork flowing smoothly do not experience as many problems. "I have one person who takes care of all the personnel duties," says David Cortez of NTC, Inc., a family-owned company that runs three restaurants in San Antonio, Texas. "We are lucky to have a computer that keeps track of whether I-9 forms are complete and lets us know when we need to update the forms."

Large operations also experience less of a problem with the new law. Restaurant Enterprises Group in Irvine, California, which employs 54,000 workers at 688 restaurants across 36 states, conducted an extensive education program for all managers. The program included a videotape and question-and-answer pamphlets. Although the company would prefer not to have had I-9 recordkeeping requirements added to its list of responsibilities nor the increased labor costs of finding workers, Janet Colson, human resources vice president, says her company is adapting well.

Still, trouble crops up even in the most organized operations. INS recently served one of Colson's operations a "Notice of Intent to Fine," alleging that the restaurant knowingly hired an illegal alien.

Full-fledged enforcement

Because employer sanc-

DC ROUNDUP

☐ **Round one: Congressional negotiators drop business-meal proposal.** Restaurateurs sent more than 1,200 mailgrams, cards and letters to members of congressional tax committees last month, urging them to drop a proposal to pay for welfare reform by phasing out the business-meal deduction for certain individuals and unincorporated businesses. The heavy restaurant pressure appeared to be successful. After preliminary negotiations, House and Senate negotiators tentatively rejected the proposal. The National Restaurant Association continues to lobby on this issue, however, since Congress may again look to business-meal deductibility if more money is needed later.

☐ **U.S. House okays a two-year extension of jobs tax credit.** Early last month the U.S. House passed a bill that extends the Targeted Jobs Tax Credit (TJTC) through 1990. Due to expire at the end of this year, the credit is available to employers who hire such groups as economically disadvantaged youths, Vietnam veterans and ex-prisoners. The Senate is expected to vote on TJTC extension in September.

☐ **Franchisor/franchisee relationships under scrutiny.** Reacting to franchisees' complaints, a House Small Business subpanel held an August hearing to see whether the federal government needs to step up its regulation of franchising. Franchisees say franchisors have inordinate bargaining power that permits arbitrary cancellations of franchise agreements. Franchisors counter that to terminate those agreements without good cause would be like shooting themselves in the foot. They argue that they must have the power to terminate substandard franchisees to protect their trademarks.

tions went into full effect June 1, 1988, employers may now be penalized for even first-time hiring and paperwork violations. By the end of this year, 1,500 INS inspectors will be out in the field, up from last year's 700.

Although it is too early to know where enforcement conflicts or problems will emerge, it is likely that employers and INS will differ in their interpretation of what constitutes a "good-faith effort" to comply with the law.

Restaurant Enterprises Group, for example, was cited by INS in mid-July for knowingly hiring an illegal alien. INS contends that the documents the employee presented to establish his identity and eligibility to work were false.

Colson counters that the company's managers are diligently schooled in IRCA's requirements and that the documents appeared legitimate. "We made a good-faith effort," she asserts, and says that the restaurant chain will appeal the fine.

Conclusion

Because of regional variations in how INS district offices choose to administer the law, restaurateurs will have widely differing experiences with INS and the new law.

—Stephanie Gordon
—Denise Roach

> ***"The I-9 form is labor-intensive. I don't have a manager to keep up with the paperwork. I'm it—a one-man show."***

What does the law require?

For all workers hired after November 6, 1986, employers are required to examine documents proving a worker's identity and eligibility to work in the United States. If documents appear to be genuine, employers must fill out I-9 forms for each new hire. I-9s must be kept on file for at least three years. For employees who work longer than three years, the employer must retain I-9 forms for one year after the employee leaves. As long as the forms remain accessible to INS inspectors, I-9s may be stored on microfilm or microfiche.

☐ **How does INS decide which employers to inspect?** INS chooses which employers to visit in two ways. The first is based on complaints from disgruntled employees, business competitors or job seekers.

Second, INS operates under a "general administrative plan" that guides random employer inspections. Under this plan, each of the 33 INS district offices lets Washington, DC, headquarters know how many inspections the district office plans to conduct in a three-month period.

The central office then generates two lists for district officials. The first is a random sampling of employers in the district. The second list, also randomly chosen, draws from employers in specific industries or localities, based on the industry's history of employing illegal aliens or the area's high illegal population. In some areas, restaurants are included on this list of targeted businesses.

☐ **How much notice must INS inspectors give?** The law requires INS to give employers three days' written notice.

☐ **What penalties do violators face?** Civil fines range from $100 to $1,000 for each I-9 form that is not on file or that has been completed improperly. INS says, however, that if employers are making an effort to comply and INS finds only minor paperwork problems, the agency is unlikely to issue fines for just paperwork violations.

Fines are steeper for employers found to have knowingly hired illegal aliens. First offenses result in fines between $250 and $2,000 per worker; second offenses, $2,000 to $5,000; and for third and subsequent offenses, the employer will be fined from $3,000 to $10,000 per worker. Employers who show a pattern of hiring illegals face criminal sanctions of $3,000 for each illegal worker and up to six months in jail.

☐ **What happens when an employer is served a "Notice of Intent to Fine?"** Within 30 days of receiving a notice, an employer can request a hearing before an administrative law judge. If the judge upholds INS's case, employers have two options. They can bargain with INS for a lower fine if they give the agency reason to believe they will comply with the law in the future. Or they can appeal the judge's ruling within 45 days to a United States court of appeals.

Third sugar substitute approved by FDA

Last month the Food and Drug Administration (FDA) approved the sugar substitute acesulfame K to be used in chewing gum, dry mixes for beverages, gelatins and puddings, and table-top sugar substitutes. To be sold under the brand name Sunette, acesulfame K joins saccharin and aspartame (NutraSweet) as the third sugar substitute on the market. Its physical properties make acesulfame K an attractive sweetener to manufacturers. It is 200 times sweeter than sugar, has a good shelf-life and is relatively stable. Like saccharin, acesulfame K is not digested or absorbed by the body; rather it is excreted by the kidneys, unchanged. Plus, acesulfame K can withstand heat up to 400° F so it can be used in cooking and baking. Although it is already on the market in 20 foreign nations, U.S. consumers will not find products containing Sunette on the market until 1989.

—Claire Regan, R.D.

BOARDROOM

Alcohol Awareness Task Force meets

The newly formed Alcohol Awareness Task Force, established under the direction of association president Jim L. Peterson, met in Washington on September 1 to outline a new agenda for the association's alcohol awareness program.

In appointing the task force, Peterson said that the group's mandate would be "to evaluate the association's past efforts in promoting responsible alcoholic beverage consumption and to chart the course for future activities."

At the September meeting, task force chairman Bill Latham led the committee in reviewing the association's first alcohol awareness program, launched in 1984. The group then discussed ways to update and improve the program. Look for more information on the new alcohol awareness program in upcoming issues of ***Restaurants USA.***

—Anne Papa

The Manor wins awards

The Manor Restaurant, owned by association director Harry Knowles, recently garnered national and local awards for its wine list and for its general excellence.

In August, *Wine Spectator* magazine named the restaurant as one of nine recipients of its annual Grand Awards for Outstanding Restaurant Wine Lists—considered by many to be the "Oscar" of the wine world. Wine cellars are evaluated on depth, breadth, overall quality, pricing, inventory, organization and presentation—among other criteria.

And *New Jersey Monthly* magazine has named The Manor the "Best of the Best" in New Jersey's northern region for the fifth year in a row. The magazine also gave The Manor top awards for "Best Wine List."

In acknowledging these awards, proprietor Knowles said, "This recognition makes us even more determined to continue to maintain high standards . . . Word of mouth of satisfied patrons is what has made The Manor what it is today and what it will be in the next century."

Thad Eure (second from left), past president of the National Restaurant Association, recently received an honorary degree at the commencement exercise of the Charleston, South Carolina, branch campus of Johnson & Wales College. Eure, who spoke at the commencement, is shown here with fellow honorees Terry Vince (far left), president of daka, Inc; Burt Cutino (second from right), executive chef and co-owner of the Sardine Factory Restaurant in Monterey, California; and John Mount (far right), president of the Dubois Chemical Co.

Feedback

Dear Editor:

If we are, in fact, to say "au revoir les faux pas" as described in the article "Mealtime Manners" in August's [1988] ***Restaurants USA,*** we must correct two glaring—but common—errors found in the article. The practice of serving plates from the left and removing them from the right may be acceptable in Taunton, Massachusetts, or other unsophisticated areas such as the East or West Coast, but here in Ceresco, Nebraska, we understand why plates are not only served from the left, but are also cleared from the left.

After a hard day in the fields and having completed the chores about the farm, one may well sit down to a supper of—for example—a turtle soup with Manzanilla Sherry, Poached Filet of Sole Veronique with a dry German wine and, before tucking into mother's meat loaf, one would probably crack open a good bottle of claret. Salad, of course, following the entree would be accompanied by whatever chilled bottled water caught one's fancy. Champagne with dessert (during the present heat and drought the Chateau Yquem is a little heavy) and some crusted port passed along with the fruit and nuts would complete this typical farm fare. The different sizes and shapes of the stemware would make it extremely difficult for the maid to clear the plates from the right, and she may very well find she is in the way of the butler attempting to keep one's stemware replenished. Here in Ceresco, Nebraska, we insist that plates be served from the left and cleared from the left.

We also insist that when setting the table, the cutting edge of the knife should face toward the plate, not away from it as shown in the illustration.

These are, maybe, small quibbles but if fine-dining manners are to return to the country nationwide, perhaps the rest of the country can catch up to Ceresco, Nebraska.

Omaha is trying.

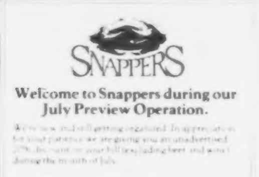
Graham H. Dewsbury
Ceresco, Nebraska

Dear Editor:

We want to thank you for your article titled "Restaurant Previews" in the April 1987 issue of ***Restaurants USA.***

We had limited experience in the food business when we opened July 4, 1987. The preview idea was just right for us. This plan enhanced goodwill from day one as we sense our customers consider they are a part of our effort.

We elected to use full-price menus and credit the customer as indicated on the attached preview card. We did not advertise the preview discount and [even a year later] strongly advise that procedure.



SNAPPERS

Welcome to Snappers during our July Preview Operation.

We look forward to your magazine monthly.

Jackie S. Hall, Secretary
Snappers Restaurant, Inc.
Savannah, Georgia

Surgeon General recommends nutrition measures for operators

The first *Surgeon General's Report on Nutrition and Health* has been released by the Department of Health and Human Services. Prepared primarily for nutrition policy-makers, the report focuses on the relationship between diet and chronic diseases, providing comprehensive, scientific documentation for the U.S. Dietary Guidelines. The report's primary conclusion is that overconsumption is the main concern for Americans, especially a disproportionate intake of high-fat foods at the expense of foods high in complex carbohydrates and fiber.

Foodservice programs are cited as "important opportunities for improving health and providing dietary education." Because of the volume of meals eaten away from home, the report notes that improvements in the nutritional balance of foodservice meals can be expected to improve health. Unfortunately, the report does not acknowledge the changes the industry has already made to offer consumers nutritious, low-calorie foods.

The report goes on to recommend public health measures for foodservice operators. These are disease-specific:

☐ **Aging:** Operators, especially those receiving government funds, should be required to pay special attention to meeting the caloric and nutrient needs of older clients.

☐ **Alcohol:** There are no specific policy implications in this area aside from the noted special populations. (Pregnant women and those with alcohol-related conditions should be counseled on the benefits of abstinence.)

☐ **Cancer:** Operators should increase the availability of foods low in fat and high in fiber.

☐ **Coronary heart disease:** Operators should offer more foods low in fat, decrease those higher in saturated fat and cholesterol. The need for low-fat foods is described as being critical for 25 percent of the population.

☐ **Dental diseases:** Optimally fluoridated drinking water and noncarciogenic foods help promote dental health.

☐ **Dietary fads and frauds:** Nutrition education provided through foodservice should emphasize general principles of sound nutrition and inform about the nature of and problems with dietary fads and frauds.

☐ **Gastrointestinal diseases:** Operators should include provisions for an adequate intake of high-fiber, low-fat foods.

☐ **High blood pressure:** Menus should provide adequate choices of foods with essential nutrients and energy as well as foods low in sodium.

☐ **Infections and immunity:** Foodservice personnel should receive adequate training in sanitary handling and storage of food.

☐ **Kidney disease:** There are no specific policy implications in this area, but it is recommended that protein-restricted diets are made available to people with end-stage kidney disease.

☐ **Obesity:** To fight this problem, operators should include a variety of low-calorie menu items.

☐ **Skeletal diseases:** Foodservice for children, adolescents and young adults should provide diets with sufficient calcium.

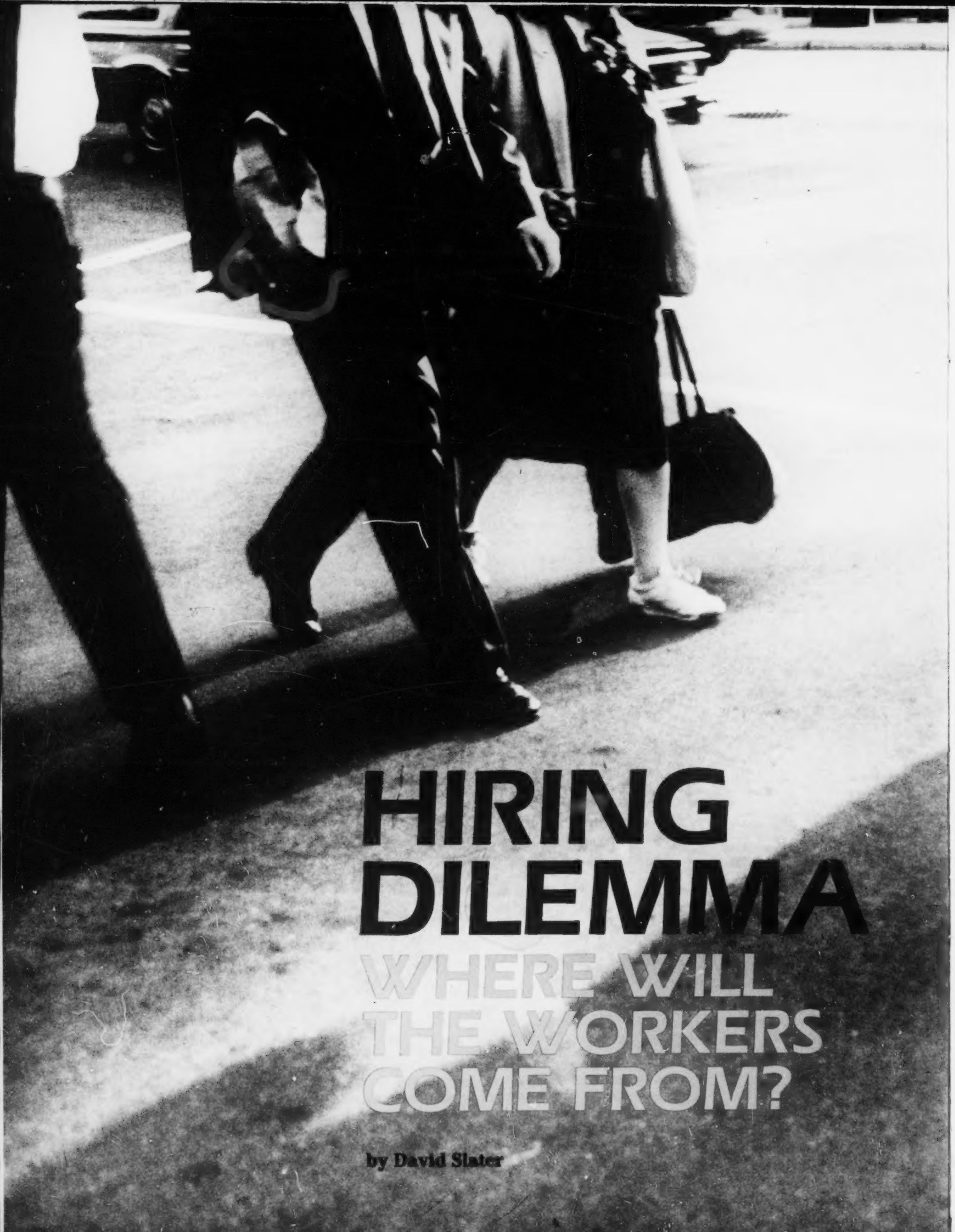
☐ **Neurological disorders:** These problems are helped by diets low in sodium and calories, which maintain ideal body weight and control obesity and diabetes.

The National Restaurant Association's publication, *A Nutrition Guide for the Restaurateur,* offers guidance for menu modification in accordance with the U.S. Dietary Guidelines. Methods of delivering nutrition information to patrons are outlined in the association's *Ingredient and Nutrition Information* booklet, and this column of ***Restaurants USA*** will continue to inform association members about health and nutrition issues.

—Claire Regan, R.D.

Discounts for long-distance calls

National Restaurant Association members who subscribe to the MCI telephone system are being offered a 10 percent discount on their long-distance rates. The discount applies to business calls made during normal business hours. To enroll, or for more information, call 1-800-888-0800 and identify yourself to the operator as a member of the National Restaurant Association.



HIRING DILEMMA

WHERE WILL THE WORKERS COME FROM?

by David Slater

Wilson Elder, owner of the Varsity Drive-in in Athens, Georgia, spends at least 70 percent of his time trying to keep his restaurant fully staffed. Despite paid vacations, annual bonuses and a generous year-old program that gives college students bonuses based on tenure, turnover for his restaurant stands at 200 percent. "I honestly don't know what to do," says Elder. "I think the best thing I could do is get automated. And when I tell you that, I'm telling you something I don't believe in, because I'm traditional, all-American and against automation in the workplace."

Elder isn't alone. The foodservice industry's rapid expansion has created so many job openings that restaurants in many parts of the country cannot recruit workers quickly enough. Foodservice occupational employment is forecast to advance 36 percent between 1986 and the year 2000, but analysts have predicted that between now and the year 2000 the rate of growth in the labor force will be cut in half. Like Elder, many operators are asking, "Where will the workers come from?"

Traditionally, restaurants have concentrated their recruitment on those in the 16 to 24-year-old age group. But the low birth rates of the late 1960s and early 1970s mean there are fewer teenagers and college-age students. In fact, by the year 2000, 16 to 24-year-olds should account for only 16 percent of the labor force, as compared to 20 percent in 1986. With operations so desperate to find qualified employees, the time clearly has come to reassess the definition of the ideal entry-level foodservice worker.

Alternate sources of labor

In an effort to staff their restaurants, many operators have begun to pinpoint unconventional groups that have traditionally been underexploited. In its franchisee recruiting book, for example, Domino's franchisees are instructed to actively recruit housewives, working mothers, retirees, handicapped persons, people looking for second jobs and, of course, 18 to 25-year-olds. But how much of an answer to the industry's labor problems are groups such as senior citizens and disabled persons? And are there other groups that are possibly being overlooked?

☐ **Senior citizens.** In recent years, a lot of attention has been given to senior citizens who have reentered the workforce to supplement pension plans or to combat loneliness or boredom. Many operations have integrated senior citizens into the[illegible] workforce quite successfully, [illegible] spotlighting them in ads and giving them visible positions as hosts or hostesses, to portray the operation as home-style and caring. When these seniors come to work for a company, they often bring experience, a willingness to work and a high degree of reliability—qualities often hard to come by in entry-level candidates.

At a recent Domino's award ceremony, for example, several regional "drivers of the year" were senior citizens who came out of retirement to deliver pizzas. Included among the driving force is an 80-year-old former truck driver in Woodburn, Oregon, and a 69-year-old former postal worker in Oklahoma City, Oklahoma. "We actively recruit senior citizens because we've found that they bring both enthusiasm and experience to a job," says Domino's spokesperson Kerry McNulty.

There is no doubt that restaurateurs fortunate enough to find eager seniors and integrate them into their system have found these mature individuals to be stellar employees. There is some question, however, about just how much of a gap seniors as a group can fill. Ivan Charner, director of research at The National Institute for Work and Learning, says, "There's a whole lot of talk about how much this group wants to work, but I just think the perception is unreal." Charner cites a recent institute survey of retired union workers whose characteristics closely matched those of the general population. The survey revealed that only 7 percent were working. Of those who are not working, 90 percent were not interested in working.

☐ **Disabled persons.** A group that may show more promise than senior citizens to fill the employment gap is people with disabilities. According to a March 1986 survey conducted for the International Center for the Disabled in cooperation with the National Council on the Handicapped, two-thirds of all disabled Americans between the ages of 16 and 64 are not working. Only one in four works full time and another 10 percent work part time. No other demographic group under 65 has such a small proportion working, including young blacks.

What is most promising for employers, however, is that a large majority of those not working say that they want to work. Of those working-age disabled persons who are not working, 66 percent say that they would like to have a job. The survey also suggests that many disabled persons are able to hold full-time jobs steadily for many years, without long periods of absence. A 58 percent majority of disabled persons who work full time have worked full time for at least five years without interruption of a month or more.

Friendly Ice Cream Corporation, the 850-unit family restaurant chain, is one prominent company that has benefited from a progressive commitment to hiring workers with disabilities. Of 30,000 workers nationwide, 1,700—nearly 6 percent—have disabilities.

To locate and learn to work with disabled employees, various Friendly district and unit managers work closely with local job placement and rehabilitation centers. In Connecticut, for example, District Manager Bob Hoeffner is involved in the Western Connecticut Association for Handicapped Rehabilitation and with DATAHR, an organization that places people with disabilities. All 12 placements of people with disabilities during the past year in Hoeffner's district have been successful. Nationally, Friendly works with more than 30 organizations that aid persons with disabilities.

Employers generally rave about the dedication and dependability of disabled workers. Jim Pandl, general manager of Milwaukee, Wisconsin-based Pandl's in Bayside, says, "Dis-

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David Slater is a communications specialist at the National Restaurant Association.

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abled people have been one of my best finds. You deal with some extra problems, but they are generally great employees. I can't say enough about hiring disabled workers."

☐ **College graduates.** The foodservice industry is linked closely with hospitality programs at many colleges and universities, but the industry has never effectively recruited college graduates from nonfood-related disciplines or professional schools. Before industry recruiters can be successful on campuses, they have to overcome strongly ingrained stereotypes among the students that the industry offers low-paying, dead-end jobs.

Pizza Hut, Taco Bell and Kentucky Fried Chicken, foodservice subsidiaries of PepsiCo, are teaching graduates that foodservice jobs can be as profitable as working in high-tech management or other traditional career paths. The company began expanding its college recruitment efforts six years ago. Since that time, Pizza Hut has doubled the numbers of graduates working in its system to approximately 500.

According to Roger Rydell, director of public relations at Pizza Hut college students have an antiquated notion of foodservice jobs, and Pizza Hut's efforts now are geared toward telling graduates about the industry's fast career ladder and outstanding long-term opportunities. Nonetheless, says Rydell, MBAs and other highly marketable graduates still have a tendency to look only at the bottom line—the starting salary—and not consider that a company, such as Pizza Hut, "might have a 'hidden agenda' that will allow them to possibly move up quicker than at IBM or Exxon."

"The foodservice industry has not positioned itself in a way that makes it attractive to college graduates," says Rydell. The industry has to overcome biases by educating parents, guidance counselors and the students about the opportunities available in foodservice, and it then has to step up recruitment of college graduates from all disciplines. "We're not just looking for graduates who are technically proficient," says Rydell. "We want bright, ambitious people who have the wherewithal to do well at Pizza Hut."

Industry recruiters are working hard to convince college students that foodservice jobs can be as profitable as working in high-tech management or other career paths.

☐ **Blacks in hospitality programs.** A 1988 study suggests that a particularly overlooked segment of graduates may be students in hospitality programs at predominantly black colleges. According to the Hospitality Consortium of Historically and Predominantly Black Colleges and Universities, a recently formed group, the number of blacks in hospitality programs at black colleges far outweighs the number of blacks in the mainstream hospitality programs. According to Karl Binns, president of the consortium and a professor at the University of Maryland, Eastern Shore, the survey confirms that these black colleges can play a large role in developing the management candidates the industry so sorely needs.

L. Patrick Stanton, the Chicago State University professor who conducted the survey, canvassed 17 mainstream colleges, where the most concentrated industry recruitment occurs. He found a black minority enrollment of only 2.4 percent (240 out of more than 10,000). On the other hand, the 13 institutions in the black consortium reported a total of 619 black Americans enrolled in their hospitality programs. Binns believes that as these black hospitality programs mature, "the pool of applicants will expand and become even more important to the industry."

☐ **Hourly employees.** One of the most dramatic changes occurring in the civilian labor force is the sharp growth in the presence of minorities. According to the Bureau of Labor Statistics, between 1986 and 2000, nearly six of every 10 new entrants into the labor force are expected to be black, Hispanic, Asian or members of another minority group.

Asians and Hispanics are entering the workforce at the greatest rate, and Hispanics, especially, seem to be making inroads into the industry's hourly labor force. Their annual growth rate in the labor force, 4.1 percent, is greater than that of any other minority group and more than triple the overall U.S. rate of 1.2 percent. Especially in urban areas, many restaurateurs are beginning to feel the effects of the changing racial and ethnic makeup of the workforce, and some larger hotels and restaurant chains are using buses and vans to transport inner-city kids to suburban locations.

☐ **Leasing employees.** In the past few years, several temporary agencies have opened that specialize in placing temporary employees in restaurants and catering operations. Many operators have found these temporary services to be an effective answer to short-term staffing needs. Now, several restaurateurs in Chicago think that they have found an effective way of resolving their long-term recruitment problems by leasing their workers from a local leasing company. The Chicago Chop House became the first restaurant in the country to lease its workers in June 1987. "It took around six months to work out the problems," says owner Henry Norton. "But now I think it's terrific. It's eliminated a lot of headaches."

Under the terms of the leasing agreement, the leasing company, Heatherton Staff Leasing, Ltd., essentially hires a restaurant's staff and leases the employees back to the restaurant. Heatherton works as the restaurant's human resources department, handling interviewing and firing, payroll preparation and administration, quarterly state and federal taxes and reports, Social Security, W-2s and workers' compensation problems. Best of all, because Heatherton is a large company that services several industries, its employees are able to enjoy a comprehensive benefits plan superior to what could be offered by most independent restaurants.

Heatherton is attractive to employees because it will train and place them, and if a placement does not work out, will place the employee in another restaurant without interrupting the worker's benefits. According to Heatherton owner Becky Outlaw, who has a background in foodservice, "Because we service several industries, we often draw people who would not necessarily go into the foodservice industry otherwise. And that's what the industry needs, right?"

Restaurants pay Heatherton a monthly service fee for the leasing services. Outlaw says restaurants usually save about 2 percent of their gross payroll. Peter Salchow, owner of Biggs and two other Chicago res-

Hot pizza delivered by fired-up employees

Domino's' guarantee, "hot pizza delivered to your door in 30 minutes or less," helped sell more than 200 million pizzas last year. But it wouldn't have worked if all the Domino's employees—the pizza assemblers, the drivers, the store managers and even the people working in the corporate headquarters—didn't feel they had a stake in fulfilling the guarantee. As a matter of fact, missing the 30-minute goal means a loss in profits for everyone, and it means at least one member has let his team down.

What drives these Domino's employees? It's opportunities to make money; it's meeting challenges and being rewarded for meeting those challenges; it's having fun; it's a feeling of being part of a winning team.

An often-told story at Domino's illustrates this feeling. A Domino's store manager once asked Tom Monaghan, Domino's chairman and founder, what he would give him if he brought his weekly sales up to $10,000. Monaghan said he would give him his expensive Hermes tie. The sales manager brought his sales up, and Monaghan made good on his word. Today, the French-made tie or a Hermes scarf is just one of the rewards given to Domino's employees who meet certain goals.

Domino's headquarters in Ann Arbor, Michigan, has one entire department dedicated just to handling awards. "Domino's Pizza spends $3 million annually on its incentive programs," says Laurie Wadhams, the company's director of incentives. Managers, corporate area supervisors and franchise consultants can win Rolex watches, Schlesinger Brothers' briefcases, tickets to the owner's box for Detroit Tigers baseball games (Monaghan owns the Tigers) and all-expenses-paid vacations to Lakeland, Florida, where the Tigers train. One of the most popular awards is a trip to the Domino's Lodge on Drummond Island on Michigan's Upper Peninsula. Competitions range from rookie manager of the year to safe driver of the month to most stores opened to most improved sales to the highest profit percentage attained. For example, the Hermes tie goes to the manager whose store reaches $10,000 in royalty sales in one week for the first time, and the Domino's Lodge trip is awarded to the manager whose store brings in $25,000 in sales in one week.

DOMINO'S
PIZZA
LIVERS

At Domino's, several regional "drivers of the year" were senior citizens who came out of retirement to deliver pizzas. But, according to a new survey, most seniors—nearly 84 percent—are not interested in working.

Recognition is an award unto itself. A store's Safe Driver of the Month receives a name badge to wear, and his or her name is engraved on a plaque for display in the store. And all the winners are honored in the *Pepperoni Press*, the company newsletter.

Although the incentives department at Domino's is thinking up ever-more ways to encourage employees to challenge one another, Domino's franchise owners and managers think up their own incentives for their workers. Frank Meeks, franchise owner in the Washington, DC, area, knows the value of a challenge. He bet one of his pizza makers, 17-year-old Waheed Asim of Alexandria, Virginia, $2,000 he couldn't break the 4½-minute time in the International Two-Tray Pizza-Making competition held recently in Ann Arbor. Asim not only won Meeks' $2,000, he also won the contest purse of $12,000 and a car for being the World's Fastest Pizza Maker—he made 16 pizzas in 2 minutes and 56 seconds.

Perhaps the biggest incentive of all is Domino's policy of allowing store managers who have had the job for at least a year to qualify for franchise ownership. Startup costs range between $84,000 and $135,000—lower than most other chains—and there is no franchise fee.

"People have quit white-collar jobs to go to work in our pizza stores, knowing what a great opportunity it is," says Kerry McNulty of the public relations department in Ann Arbor.

But first the manager must come up through the ranks and learn the Domino's operations inside and out. Then, as manager, he or she receives up to 25 percent of the store's profits in addition to a salary. Many save this money for eventual purchase of a store.

—Julie Fintel

taurants, says the program has "saved a substantial amount of money and time. I'm surprised it isn't already a bigger thing than it is," he adds. "It's the best thing I've ever done."

New emphasis on retention

Attracting new workers to a growing industry will of course continue to be a priority in years to come, but equally important is reducing the industry's startlingly high turnover rate. The separation rate for foodservice workers is nearly twice the rate for all American workers. Operators have begun to take steps to reduce turnover through more careful hiring and by improving benefits.

To make sure they are hiring the right person, many operators, such as Dan Lee, general manager of Kansas City's Savoy Grill, have begun to put all potential employees through two or three levels of interviews rather than risk hiring the wrong person "on the spot." "We bring everybody back to be interviewed two or three times because we want people who will stick around," says Lee.

In areas of the country where minority workers are becoming the backbone of the workforce, operators are finding that unconventional benefits can be effective in recruiting and retaining these workers. For example, in suburban Milwaukee, Jim Pandl of Pandl's in Bayside recruits blacks from the inner city because "local kids just don't want to wash dishes." Pandl subsidizes the transportation costs of these inner-city youths by paying employees $1.00 per person for each co-worker they drive home, "even if the driver was already going in that direction."

Greg Hourigan, general manager of Hard Times Cafe in Alexandria, Virginia, says that since the restaurant began hiring Hispanics four years ago, "Turnover has been significantly reduced at a number of kitchen positions where we used to have a lot of turnover." One of the reasons the Hispanics have continued to work at Hard Times, says Hourigan, is because of the unconventional efforts on behalf of the cafe's managerial staff. Because the cafe's Hispanics are primarily Salvadoreans who are new

10 recruitment ideas

☐ **1. Hire interns from local hospitality schools.** Many operators, such as Jim Pandl, general manager of Pandl's in Bayside, Wisconsin, have formed reciprocal relationships with apprentice cooks from nearby hospitality schools. The students get experience and a good wage; the restaurant gets an eager assistant cook.

☐ **2. Feature teenagers in recruitment ads.** Just as several chains have recruited mature adults by featuring senior citizens in employment ads, teenagers singing a restaurant's praises can also be effective. Talk to teenagers who work at your operation to see which employment features might attract their friends.

☐ **3. Always keep an eye out for promising service workers in other industries.** Jim Moffa, a restaurant consultant in Opportunity, Washington, suggests operators distribute their business cards to any service worker who gives exceptional service. Carwashers and receptionists at the dry cleaners are two examples. "Just give them a card and say, 'You're the type of person I'd like to have working at my restaurant. If you are ever looking for a job, give me a call.' They'll remember you," promises Moffa. Other operators have had luck recruiting health club employees or park workers who have developed interpersonal skills in jobs that are often low paying.

☐ **4. Align yourself with a local high school.** Promote your restaurant as a good place to work by establishing a relationship with a local high school. Get a foot in the door by offering to be a guest speaker or by setting up a work-study program or scholarship program.

☐ **5. Re-recruit ex-employees.** Keep a list of valued ex-workers and send them a personal recruiting letter after one year. According to Moffa, by using this method, one company was able to get more than 20 percent of its ex-employees to return.

☐ **6. Offer referral rewards.** Restaurants in labor-starved areas are giving awards to workers who refer another employee who stays with the company at least 90 days. The awards range from pots and pans to cash or savings bonds. An innovative Massachusetts restaurateur awards a meal for four to customers who refer an applicant who gets hired.

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☐ **7. Talk to other restaurants about part-time employees.** Many hourly workers work at a part-time job in addition to their full-time job. Dinah Duwell, manager at Sieben's in Chicago, says she often recruits by calling up other restaurants to see if any of their workers are looking for part-time work.

☐ **8. Place newspaper advertisements in sections other than the classifieds.** "When you place ads in the want-ads, you reach dissatisfied people," says Moffa, who teaches a National Restaurant Association seminar called "Hiring in a tight labor market." A recruiting ad in the food section, for example, will reach individuals interested in food and, if properly designed, can also promote your restaurant to other readers of the section.

☐ **9. Recruit people who are new to the community.** Get a list of new community members from the Chamber of Commerce and send them a welcoming package that includes coupons and an application for any interested family member.

☐ **10. Recruit from sources that complement your operation's theme.** Sports bars, for example, can attract potential employees by sponsoring events or teams and distributing applications at softball diamonds, tennis courts and sporting events. An artsy, theater-oriented restaurant can advertise in playbills and recruit at plays, galleries and drama classes at local high schools and colleges.

to the country, says Hourigan, "we've had to do a lot of things for them, like take them to the bank to open an account, help them find apartments or show them how to pay their phone bill. But it's paid off in spades for us. We've turned the restaurant into something more than a place they go to pick up a paycheck. They come to us when they need help, and we pick up the phone when we need them. It's a good reciprocal relationship."

At Sieben's Brewing Company in Chicago, where Hispanics comprise about 20 percent of the restaurant's workforce, a bilingual waitress is paid to give free English lessons to interested workers. According to manager Dinah Duwell, in addition to the obvious benefit for the employees, the language lessons help the restaurant because communication is opened between management and staff.

Some more traditional benefit plans that have been common in other industries for years, such as profit-sharing and pension plans, are now appearing even at independent restaurants. At the Savoy Grill in Kansas City, Missouri, for example, all employees are offered access to both a profit-sharing and a pension plan, and managers receive company cars after one year of service. The National Restaurant Association's 1987 Wage and Benefits Study showed that many other companies are also offering profit-sharing and incentive bonus programs, and when operators were asked to comment on changes foreseen during the next two years, the initiation of some sort of profit-sharing program was the most frequent response.

Family benefits are also slowly making headway into progressive foodservice operations, and statistics suggest that these benefits, such as child care and parental leave, will become more important in the near future. According to the Department of Labor, from now until the year 2000, females will enter the labor force at double the rate for males. Industry and government analysts predict that family benefits will be crucial in recruiting, retaining and motivating the workforce of tomorrow.

The foodservice industry's flexible working hours appeal to family-oriented workers, and many operators promote scheduling flexibility when they are recruiting. Few operators offer progressive family benefits, however, and the industry is fighting mandated parental-leave proposals in Congress. Operators who have initiated child-care programs, such as Burger King franchisee Dan Treirweiler of western Michigan, have found that these benefits foster loyalty and expand an operation's recruiting base.

Another benefit several companies have instituted to encourage retention and attract a better-motivated employee is college tuition assistance. Pizza Hut, for example, is testing a program in which hourly workers, depending on tenure, obtain dollars toward tuition. The program can also be used by working parents and grandparents for their children or grandchildren, as well as by student workers. The plan is being tested in the northeast district, and the company hopes to take it nationwide.

Some operators who have initiated these tuition or savings programs have reported mixed results, however, and commonly cite the hourly worker's inability to see past the immediate dollar. Despite the long-term value of the Savoy Grill's saving plans, for example, "People still tend to hop around quite a bit, especially dishwashers," says manager Lee. "They'll take off to the first person who offers them 10 cents more an hour." Elder of the Varsity agrees, saying, "Kids today want the money now, even though the savings program I worked out for them was well in their favor."

Perhaps the best hedge against turnover among hourly workers, then, is simply to raise wages. Even though many foodservice companies in tight labor markets are paying well above the minimum wage, the average hourly wage for foodservice workers, when tips are not included, does not compare with those in the industries with which foodservice competes for workers. According to figures supplied by the Bureau of Labor Statistics, the 1987 average hourly earnings for nonsupervisory employees at restaurants, at $4.41 per hour, trails the average wage at all other retail trades, including banks, grocery stores, department stores, drugstores and gas stations.

Do you have a model career development program?

Does your company have any career development or job opportunity programs? The National Restaurant Association is looking for model programs from all sectors of the foodservice industry for its "Symposium on Foodservice Career Opportunities 2000: Myths, Realities and Prospects." The Symposium will be held on January 10, 1989, in Washington, DC. Exemplary programs can be in any of the following areas:

- ☐ career ladders
- ☐ internships
- ☐ mentoring
- ☐ education-business partnerships
- ☐ special programs for:
  - seniors
  - women
  - youth
  - minorities
  - handicapped, or
  - other demographic groups.

If you are an independent operator, you may not use these terms but still have an appropriate program. Please call or send a brief description to Lorna Luz, National Restaurant Association, 1200 Seventeenth St., N.W., Washington, DC, 20036; 1-800-424-5156.

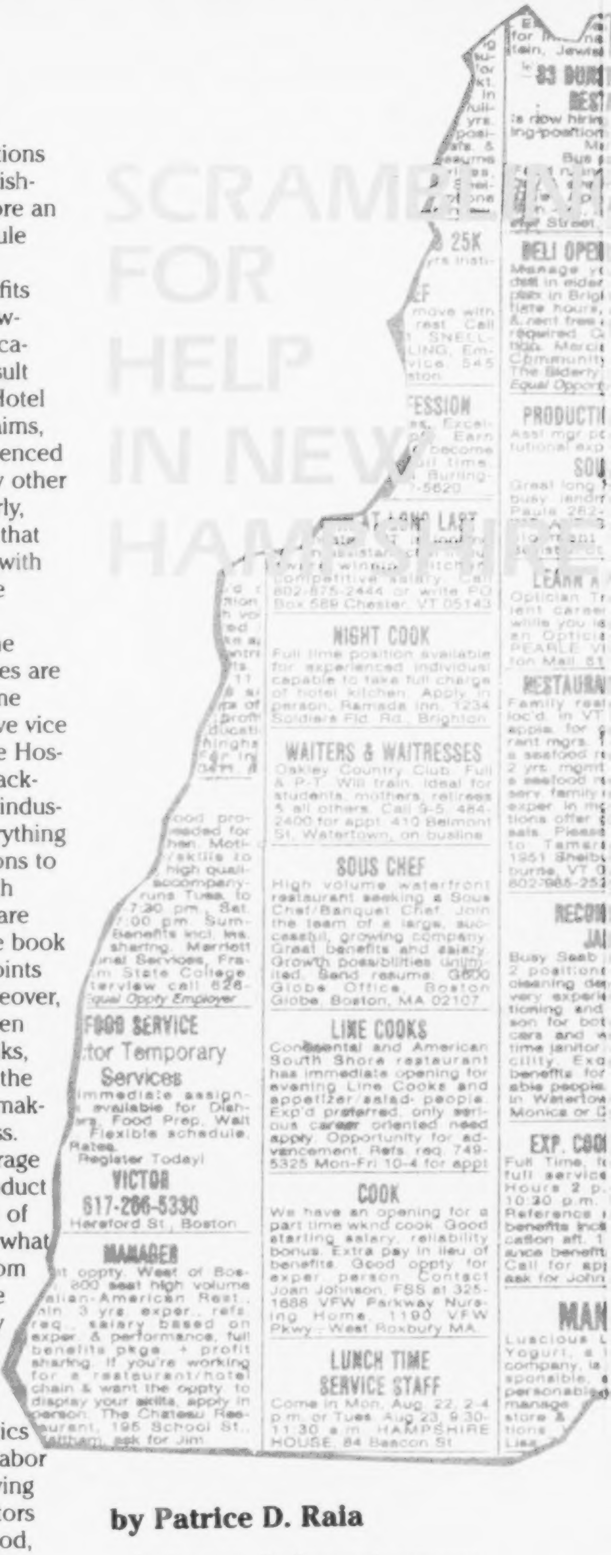
Your response will help to make the symposium a success.

Jim Pandl of Pandl's, for example, says he thinks he has finally turned the corner on his turnover problems by raising starting wages from $3.35 to $4.00 an hour, which meant, he adds, raising wages throughout the restaurant. Pandl supplements the entry-level wage by adding $.50 an hour to the paycheck of all entry-level workers who are on time for each scheduled shift during each two-week pay period. If they are sick or even one minute late, they lose the bonus, with no excuses accepted.

"I think it was really a case of reality staring me in the face, and it just took me a while to admit it," says Pandl. ❑

SCRAMBLE FOR HELP IN NEW HAMPSHIRE

by Patrice D. Raia



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Superficially, the picture for New Hampshire restaurateurs couldn't be rosier. With the lowest unemployment rate in the nation for nearly three years running—hovering around 2.3 percent—the state has basked in the prosperity those figures represent. A growing upper middle class is spending more of its disposable cash in restaurants, and corporate employers are keeping hotels and resorts booked solid as they lodge traveling executives and host conferences and receptions.

But the boom has not been entirely a blessing to the state's foodservice and hospitality industries. Both independent entrepreneurs and franchisees have been quick to discover that success in New Hampshire's thriving market is contingent upon luring the limited labor pool away from high-tech and retail competitors—as well as from one another.

Giving extras

Out of competitive necessity, bonuses and other benefits have become commonplace in the New Hampshire hospitality market. Owners of the new Clarion Somerset Hotel and Convention Center in Nashua typify the dilemma of New Hampshire operators. They were determined to open their property on January 31, 1988, in time to host Vice President George Bush during the New Hampshire primary. With some 188 positions to fill, general manager Jim Kelley needed to be resourceful to attract a viable labor pool. "We knew the market was going to be tight when we came in," Kelley recalls. "So we hired department heads who were known in the industry in surrounding towns and who had contacts with people already in the industry."

"Then," he adds, "we decided to look at the areas of highest turnover—the dishwashers, the pot washers—and do whatever we could to create a feeling of self-respect among those people." Wages were at the top of the list. Since the toughest kitchen spots to fill are those for dish and pot washers, their scarcity has brought the hourly wages for these positions to $7 and $8. In some places, dishwashers are even offered $1 more an hour just for meeting the schedule throughout the week.

Next came an attractive benefits program, bonuses, uniform allowances and open-door communications with management. The result was that the Clarion Somerset Hotel opened on time, and, Kelley claims, in its first six months has experienced a lower turnover rate than many other properties in the area, particularly, smaller independent properties that are harder pressed to come up with the extras necessary to compete successfully.

Raising the ante, though, is the name of the game, and the stakes are not likely to come down any time soon, says Beth Jalbert, executive vice president of the New Hampshire Hospitality Association. "Benefits packages are something new to this industry, and people are offering everything from insurance and paid vacations to credit unions and assistance with child care. Some of the resorts are working on a 'green stamp'-type book for employees to accumulate points for bonuses," she explains. Moreover, as the salary discrepancy between skilled and unskilled labor shrinks, operators are trying to sweeten the pot for chefs and managers by making them partners in the business. The tactic is designed to encourage commitment while ensuring product consistency. "We're seeing a lot of profit sharing," Jalbert says. "If what employees do affects their bottom line, they're going to think twice about not showing up on a busy Friday night."

Finding replacements

Still, even the most creative tactics fall short in a market where the labor pool simply cannot fill the growing number of service jobs. Proprietors and managers complain that good, reliable help is tough to find and nearly impossible to keep over the long term.

"People just leave," says George Scully, owner of the 100-seat Hannah Jack Tavern in Merrimack. "If they stay a year, you're lucky. And finding replacements is tough."

In the past, finding replacements simply meant putting an advertisement or two in the classified pages of the local newspaper. No more, say New Hampshire restaurateurs. Although ads are answered, prospects are few; and choosing among the candidates is chancy at best. Accord-

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Patrice D. Raia is a freelance writer in Nashua, New Hampshire.

ing to Scully, "Among the people who answer ads, I would say one out of 10 or one out of eight is okay. At that point you have to decide which person you want to invest in, in terms of training."

As a result, many owners and managers are eschewing traditional ways to connect with the existing labor pool. Increasingly they are relying on word of mouth via current staffers and nonprofessional networks to tap hidden sources of labor.

Product reps as matchmakers

At the same time, product sales representatives are playing an expanding role as matchmakers for client properties as well as for staffers on the move. "The reps are becoming the biggest link between jobs and cooks," says Steve Cohen of Donahue Brothers suppliers. "And the situation is so tight that front line cooks are working 50 to 60-hour weeks. It doesn't take long before they go looking for something better."

"The tight job market is really having a negative impact on the industry," he adds. "Most small places I see don't survive a year, and labor is a big part of it. We've even seen places, normally open on Sundays, closing on Sundays simply because they can't get the help."

Networking in the community

Being active in the community is another way to find staff. "Being involved in community organizations, even going to church, you meet people; and somewhere along the line you get to identify a labor source," says Joseph Iaquinta, owner of Carvel Ice Cream Store of Nashua. "You just learn to be creative."

According to Iaquinta, students represent the best source of labor for his property. Young people are eager for extra cash, he says, and although his wage scale can't realistically match that of larger properties, there are ways to create a satisfactory arrangement without compromising on employee qualifications. "Our wage scale can't compete with the big guys," he admits. "And when you talk about adults, you're talking about rent and families to support. The kids will hustle, and we involve them in the business as much as possible. We listen to them at meetings, run employee-of-the-month contests and give holiday bonuses. At the same time, we help them learn skills they'll use all their lives."

> ***"Being involved in community organizations, even going to church, you meet people; and somewhere along the line you get to identify a labor source."***

The tactic seems to have worked for Iaquinta, who says it is not unusual for staffers to stay on two years or more. But the New Hampshire legislature nearly closed the door on that labor source when it sought passage of a bill that would limit the hours young people could work weekly.

Augmenting student labor

Although the measure failed to pass, its introduction spurred property owners and managers to augment student labor pools by courting seniors and handicapped people, while actively wooing part-timers from the high tech labor force.

In the throes of staffing the new Ponderosa Restaurant in Merrimack, Brian Egan has made the rounds of local high schools, colleges and senior citizens' centers. Eventually, his staff will be composed of a cross section of workers.

"Our employee is the teenager working after school and on weekends, the college student and the person who already has a 40-hour-a-week job and wants to supplement that income," he explains. "At the same time, we've had lots of calls from mature people interested in what we have to offer."

Though attracting active seniors into the workforce has become commonplace among even the heaviest national industry hitters, seniors are equally choosy about where, when and for whom they will work.

"The problem is now you have a 30-year-old manager telling a 60-year-old employee what to do and how to do it. And you have to take that [touchy situation] into consideration," explains Beth Jalbert. "The key is finding the right person to work in that situation."

More and more often, the right person is a family member, as the Northeast's labor crisis promotes a revival of the oldest tradition in the industry.

Peggy and Tom Buonanduci had few illusions when they opened Tommasino's Restaurant in Milford. Calling her chef father-in-law out of retirement and enlisting the help of her sister-in-law, Peggy Buonanduci built a skeleton staff around family members.

"You get stuck. We had a dishwasher who worked here for two weeks and then quit. So we brought in our teenage son. I've even had my 11-year-old daughter working as a salad girl. She couldn't cut the vegetables herself, but she was an extra pair of hands, and she kept up very well. If you don't work together," she maintains, "you just can't make it in this market."

And the market, according to New Hampshire Hospitality Association's Beth Jalbert, is destined to worsen. With a 104 percent turnover rate in hourly staff and a 46 percent turnover in salaried staff, the challenge to restaurateurs is to cost-effectively maintain consistency and quality service as the demand for services grows.

"Property owners tell me they're hiring people they would never even have considered in the past," says Jalbert. And the situation will only get more competitive, as New Hampshire's economic health magnetizes new businesses and adds new players to its already tight-as-a-drum market. "I don't know if a business would change a decision on a good site based on the labor pool," says Ponderosa's Brian Egan. "It's tough anywhere in this region to find a situation where the labor market is not tight. You just learn to work with it," he adds. "That's all you can do." ☐

EMPLOYEES BENEFIT FROM CHARITY EVENTS

Employees often respond with genuine enthusiasm when a restaurant enlists its support of a local or national cause. It only makes sense, then, that some of the most original and successful charity events are actually employee-inspired and employee-organized. These employee-sponsored events raise a lot more than just money. The restaurant benefits from increased involvement in the community, and employees who volunteer their energy and ideas enjoy a heightened sense of *esprit de corps* in the workplace.

Special events

With a sense of fun

Among the most successful charity events generated by restaurant employees are the efforts at The Magic Time Machine in Dallas. Employees initiate all the charitable activities, with management readily chipping in support. It all started when David Farmer, a former waiter at the restaurant who is now attending law school, began organizing charity events that are as different and fun as The Magic Time Machine itself. (The Magic Time Machine is a former school house, and it has maintained the youth-oriented motif. Servers dress as cartoon characters or other pop-culture figures of their choice—everything from Donald Duck to Rambo.)

Seed money for The Magic Time Machine's charity events comes from the employees' CRASH fund, a kitty to which each employee donates $1 per night. According to CRASH officer Kathy Francis, the money was first used to pay for employee parties, but under Francis' inspiration, CRASH began to fund charitable activities seven years ago.

The three main causes The Magic Time Machine employees support are the Salvation Army's Children's Fund, the Labor Day Roof-a-Thon for Muscular Dystrophy and an annual blood drive for the Wadley Institute of Molecular Medicine in Dallas.

The Salvation Army Children's Fund is the biggest event of the year, when waiters take their cause to the streets—in costume. "We try to pick a really cold, wintry day in December," explains Francis, "because you get a really good response from people when you're dressed up like Woody Woodpecker asking for donations on a miserable day. This year we had a particularly bad day, so we did especially well. About 35 of us raised around $1,300 for the Salvation Army Children's Fund."

At their annual blood drive, The Magic Time Machine "cast members" literally give of themselves. Most people can name several things more "fun" than giving blood, but Magic Time Machine CRASH officer Rodney Patrick insists, "We *make* it fun. We each put $5 into a pot, which is split between the fastest and slowest two blood donors. It's all done in costume, and after giving blood we all go visit some of the terminally ill children in the hospital's cancer ward. The kids love it, and it really makes you feel good to do it."

Because it gives them a good feeling

At Eat'n Park restaurants, employee Kay Neeley launched the chain on an annual fundraising drive that in the past nine years has raised more than a million dollars for Children's Hospital of Pittsburgh. Eat'n Park is a chain of 48 family-style restaurants in western Pennsylvania. In 1978 Neeley, a cook at the Eat'n Park in Butler, Pennsylvania, enlisted the help of her fellow employees in Children's Hospital's annual Christmas campaign. Through car washes, bake sales and craft sales, the Butler store raised about $300.

With the blessings of Eat'n Park President Jim Broadhurst, Neeley's crew then challenged the other Eat'n Parks to a friendly competition to see who could raise the most money for the hospital. The first year, receipts skyrocketed to $47,000.

The spirited competition among Eat'n Park restaurants continues each Christmas, but since last year employees have a new "product" to rally around: the new *Eat'n Treats Cookbook*. The cookbook is the brainchild of payroll supervisor Sybilla Griffith. The cookbook features tested recipes from Eat'n Park employees, many of which have been handed down through generations. The expert illustrations for the cookbook were done by some of the young patients at Children's Hospital in Pittsburgh. Cookbooks sell for $6.95 each at all the Eat'n Parks during the annual five-week Christmas campaign, with all proceeds benefiting the hospital.

Eat'n Park marketing manager Tracie Griffith says the restaurant's management is completely supportive of the annual drive and the cookbook, "But the employees should get all the credit for it. It's their project, and they love it. People put in a lot of volunteered overtime to put the cookbook together and to work on the Christmas drive just because it gives them a good feeling. The whole thing has really tightened morale at Eat'n Parks."

Giving something back

The annual *Festa della Vendemmia* (the picking and crushing of the grapes) at Prego in Irvine, California, was the brainchild of Franco Vessia, the restaurant's general manager. Employees donate their

FESTA DELLA VENDEMMIA

Restaurants of all sizes and types are reciprocating community support by investing their resources, time and energy within the community. Many of these efforts are employee-generated, giving employees not only a sense of satisfaction but also a stronger sense of morale and purpose in their work.

Prego restaurant's Festa della Vendemmia raises funds to support a nonprofit school for learning-disabled children.

Joan E. Herlong is a freelance writer in Arlington, Virginia.

Indiana Jones and Princess Leia are but two of Hollywood's famous characters recreated by the employees of The Magic Time Machine Restaurant in Dallas to raise money for the Salvation Army's Children's Fund.

time and labor to the annual fall festival because they enjoy supporting the Mardan Center of Educational Therapy, a nonprofit school for learning-disabled children in Irvine.

Vessia explains how the first festival came about: "I was looking for a way to become involved, to give something back to the community for the support it has given us since we opened Prego two-and-a-half years ago. A regular customer, a neighbor of mine, is president of the Mardan Center. I took a tour of the school and learned more about it and wanted to be helpful. So we put together our *Festa della Vendemmia*."

For the festival, Vessia transforms the plaza behind the 300-seat restaurant into an authentic Tuscan winery, complete with waiters and waitresses clad in peasant costume, a horse-drawn cart or two, and great vats of grapes ripe for the stomping. For $35, ticket-holders get to sample a huge buffet of northern Italian country fare, sip wines donated by local purveyors and celebrate the crushing of the grapes as they stain their feet a deep shade of purple.

Each year, employees of The Magic Time Machine Restaurant in Dallas donate their time and energy to the Labor Day Muscular Dystrophy Association telethon.

The first *Festa della Vendemmia* in 1986 raised about $2,000 for the school. The second one did even better, netting about $6,000 from more than 400 attendees. Vessia says the festival is a great combination for Prego: "It's good exposure for the restaurant, and our regular customers look forward to the event. The employees really enjoy it, and they donate their time to do it."

Vessia is especially pleased to be active in a local project "because we are now seeing some of the fruits of the festival. The school is breaking ground on a new, larger school in Irvine, so we really feel like we've helped to make a difference."

A nationwide partnership

Individual restaurants and large chains are joining forces to fight hunger. Share Our Strength (SOS), a national network of restaurants committed to relieving the problem of hunger at home and abroad, was founded four years ago in response to the Ethiopian famine crisis. Since then almost 700 restaurants have become members of SOS, donating $100 to $500 annually, although there is no minimum donation.

On May 17 of this year, SOS held its first annual "Taste of the Nation" fundraiser. Hosted simultaneously in 25 cities across the country, the food and wine tasting event netted more than $250,000. Through the help of event sponsor MasterCard International, all of the proceeds have already been donated to 35 predetermined domestic food banks and homeless shelters (70 percent), and to three international relief agencies (30 percent).

The lists of chefs and restaurants featured in the Taste of the Nation events reads like a Who's Who in the restaurant industry; but SOS is not out to be exclusive in its membership or its major fundraiser, emphasizes Debbie Shore, associate director of SOS. "There are a lot of ways for the restaurant industry to be involved in hunger relief," Shore points out. "The Taste of the Nation event is just one of them. Any restaurant interested in helping us out is more than welcome to call us. In fact, we especially need help from restaurants in Tennessee, North and South Dakota, Wyoming and Idaho."

The greatest difference between the SOS event and other "tastings" held as fundraisers is that SOS has no overhead costs. "We don't pay for anything," explains Shore. "Everything is donated for the event: the food, the wine, the music, the labor, everything. That way *all* the money raised goes to hunger relief."

An ongoing process

Working to help kids

For many restaurants, social responsiveness has grown beyond one or two large events per year. At Tony Roma's in Cleveland, the staff is "almost constantly" involved in promoting one cause or another. Bill Dieterle, vice president for operations and public relations for Tony Roma's in Cleveland, says, "I receive about 50 requests a month to sponsor an event or make a donation to various causes. We try to say yes to the ones that make sense, mostly those centering around children."

Tony Roma's is part of a 92-restaurant rib chain that came to Cleveland

Wines for charity

The Napa Valley Wine Auction, in its eighth year, is another successful example of the wine, food and hospitality industries joining together to raise substantial amounts of money for community medical care. First-time buyers, wine buffs, restaurants, wine and food trades people and media from all over the United States and Canada recently participated in this prestigious auction of rare and unusual wines, which raised $467,000 for three local hospitals and clinics. It is projected that the net donation for 1988 will exceed last year's $340,000 donation.

In the past seven years, $1,408,000 has been donated to auction beneficiaries. Begun in 1981 by the Napa Valley Vintners' Association, the auction benefits the Queen of the Valley Hospital (Napa), St. Helena Hospital and Health Center (St. Helena) and in recent years includes the Community Health Clinic Ole (Yountville). In fact, the entire operating budget for the Clinic Ole—a low-income community health facility originally serving farm workers and more recently the area's elderly poor—is derived entirely from auction proceeds.

The Vintners' Association keeps a tight rein on costs. "We try to cover most of the auction expenses through the sale of auction paddles and tickets to the gala preauction Candlelight Dinner," said Jay Corley of Montecello Cellars, who co-chaired the 1988 auction with Sutter Home Winery's Bob Trinchero. The dinner and auction were held at Meadowood Resort Hotel, a 250-acre private reserve off the Silverado Trail in Napa.

Silent auction bidders circulated among the tables of special bottles of Napa wines, upping their bids and checking out their competition. About $23,000 was raised during the silent auction; the live auction brought in $467,000 for three area hospitals and clinics.

Members of the Vintners' Association, growers, restaurateurs, caterers, hotels and inns, and an active army of volunteers begin work on the auction the day after the final gavel comes down. "Many volunteers make the auction their vacation week," says Shirley Knudsen, auction director, who has been coordinating auction efforts for the Vintners' Association since its inception. "Some come here from all over the United States just to volunteer."

Food is a very important part of the Napa Valley Auction. During auction week, almost all of the wineries host dinners and lunches with special emphasis on pairing food with wines. This year, auction participants and media enjoyed the hospitality of more than 40 food and wine events, which ranged from elegant, choreographed winery suppers to informal luncheon extravagañzas in the vineyard. Some had educational seminars, which included descriptor tastings, wine blending, brandy and sparkling-wine production, vineyard management and other technical subjects.

The auction attracts individual buyers, major private collectors and buying groups; only 475 paddles are issued. This year the high bidders were first-time Napa auction participants—Jamie B. Coulter ($29,220), a private collector and Pizza Hut executive from Wichita, Kansas, and Robert C. Powell ($31,760), also a private collector and a real estate developer from nearby Sacramento, California. The highest bid for a single bottle of wine was $12,000, for an etched salmanazar of Far Niente's 1985 Cabernet (roughly equivalent to $1,000 per 750 ml.).

—Deborah C. Goldstein

five years ago. Since then, Tony Roma's has become renowned there for its charity work *and* its ribs. During the past three years, Tony Roma's of Cleveland has raised $100,000 for various charities, but especially for Cleveland's Children's Hospital, Rainbow Babies Center, and Our Lady of Wayside Home for Handicapped Children. When the restaurant recently placed first in a national ribs cookoff it won $25,000, and all the prize money went to charity.

The restaurant sponsors roughly one event per month for various charities, and employees seem more than willing to maintain such a constant pace. In fact, many of the events are employee ideas, such as the St. Patrick's Day breakfast Tony Roma's threw for five-year-old heart-transplant candidate Jackie Loomis. Several employees asked for Dieterle's help in organizing a benefit for the child, who needs to raise $175,000 for the operation. He enthusiastically agreed to cosponsor the event with local radio station WMMS-FM.

"The place was jammed!" exclaims Dieterle. "We raised $3,000 that day for Jackie. We also followed up with an Easter event for her, so all together we've raised close to $7,000. More importantly, we brought needed attention on a local and national level to help her out."

Dieterle believes the benefits of charity work cannot be measured in dollars and cents, but he is certain the staff's investment of time and energy pays off handsomely. "We get back everything we do in media coverage," says Dieterle. "Our work keeps our name in front of the public." The efforts even lead to employee recruitment. Two employees came to work at Tony Roma's in Cleveland because they were impressed by the restaurant's work on behalf of Cleveland's Rainbow Babies Center. "They are former 'Rainbow babies.' " says Dieterle, "and they were impressed by our work for the center and wanted to be part of it." ☐

BATTLE OF THE SAUCEPANS
COOKOFFS

Suzani

By [illegible]

Are you looking for an effective way to bring your product and operation to the public? Try a cookoff, an exciting culinary battle that combines the hoopla and drama of a boxing match with the unrestrained bounty of a Roman feast.

P. T. Barnum would have loved the concept of cookoffs. Restaurant teams whisk-to-whisk, knife-to-knife and ladle-to-ladle with competitors from the other side of town or the other side of the world. The dish of contention ranges from chili, chowder or chicken to pork barbecue, oysters or desserts. The crowd tastes and compares, and then vocally supports its favorites. Showmanship abounds, but when the smoke clears, it's put your food where your mouth is or you're out of luck.

No doubt about it, cookoffs are crowd pleasers. Some of the larger national events are stretched over several days and easily draw more than 100,000 opinionated spectators; but even smaller, weekend cookoffs can draw huge crowds hungry for a good battle and a good bite to eat.

Because they are such crowd-pleasers, cookoffs are often featured as part of a weekend or weeklong festival. For example, the National Oyster Cook-off is a highlight of Maryland's St. Mary's County Seafood Festival in late October, and the International Mexican Food Cookoff is a featured event at Phoenix's Cinco de Mayo Festival each spring.

Turning a tidy profit

As varied as the foods they feature, cookoffs can be structured to appeal to any type of competitor and crowd. Usually, the contestants have to cook their food on site and set some aside to be blind-tasted by a team of judges that often includes chefs, food writers and local celebrities and restaurateurs. Restaurants can get involved either in direct competitions or by sponsoring and organizing smaller cookoffs for individual amateur competitors.

The sheer enormity of some of the national or "money" cookoffs is astounding. For example, more than one-and-one-half million ribs are sold (by the rib or half-slab) during the five-day-long National Rib Cook-off in Cleveland. If these ribs came from a single pig, say the organizers, the pig would weigh slightly more than 40 metric tons, making it large enough to eat the city of Kalamazoo.

Such incredible sales figures can translate into big money for the competitors. Amarillo, Texas-based Sutphen's, for example, netted more than $27,000 in ribs sales at the national cookoff in 1987, and was not even one of the top sellers, according to owner Joey Sutphen. When you add prize money of up to $25,000, he adds, you begin to realize that "you can make good money off these things."

But Sutphen also points out that these huge food festivals "are no small undertaking." Competitors at these national cookoffs often travel from around the country, accruing travel and hotel expenses in the thousands of dollars. Obviously, before trying to break into the national cookoffs, an operator should test the waters on the local level, gathering experience and, says Sutphen, letting "one grow out of another."

Serving up exposure

Many restaurants enter their first cookoff on a lark. But they soon find themselves competing in several annually. The primary reason for the cookoff addiction is the high public relations bang for the buck. Although there are now a number of potentially lucrative national cookoffs, the great majority of cookoffs are local charity events in which the competitors do not cover their expenses. If an operator has a signature item that is suited to the cookoff format, however, cookoffs can pay for themselves as a marketing move that exposes the operation to a new and enthusiastic audience.

According to Bill Dieterle, vice president of operations for Tony Roma's (more than 120 units worldwide) in Ohio, "It's cheaper to compete in a cookoff than to take out a full-page ad in a local paper. People don't always read an ad, but a cookoff gives you the chance to meet the people and put the product out for them to taste."

Of course, the thrill of competition—and especially winning—can be addictive, too. Joy McNulty, owner of The Lobster Pot (96 seats) in Provincetown, Massachusetts, which has taken first place at the Cape Cod Chowder Fest three years in a row, says, "The first year we went because it was fun. Then we started winning; and once you win, you can't stop going."

One group that has let things grow is RibAmerica, six restaurateurs who have banded together to form a traveling cookoff company. As these restaurants became more involved in cookoffs and catering, they invested money in mobile catering vans to take some of the strain off their restaurants. To make use of their equipment throughout the year, they decided to travel together across the country, staging cookoffs to make money for nonprofit organizations.

Being prepared for success

A restaurant does not have to win a cookoff to reap increased exposure from the event, but those that are victorious often learn that an operation had better be prepared for success. McNulty of The Lobster Pot says that after a cookoff, "Our chowder sales go crazy for a few months." Dieterle of Tony Roma's, which has placed in the National Rib Cook-off three years in a row, says that restaurant sales increase 15 to 20 percent during cookoffs.

The increased sales can last, too. Geppetto's Pizza and Ribs (10 units) sold two cases of ribs a week in 1982, when it entered its first cookoff. Today, thanks to cookoff successes, Geppetto's sells more than 500 cases each week, says owner Michael O'Malley.

Because they expose an operation to so many potential new customers, cookoffs can provide the initial push for a fledgling catering business or a substantial increase for one that is established. According to Dieterle, "After this year's cookoff, we saw an immediate increase in our catering. We were inundated for requests from people who said, 'We want the same rib that won the burnoff.' " Similarly, Sutphen's once headed up to New York for an event and ended up traversing the Northeast doing huge catering jobs for people who tried its ribs at the cookoff.

Cookoffs are also an opportune time to market items such as T-shirts, hats and suspenders, as well as signature retail items, such as barbecue sauces or chili-spice packages. From their cookoff booths, many competitors also distribute bounce-back coupons, catering information and copies of their menus.

Getting ready

Cookoff preparation requires the same attention as preparing for a large catering job (often for 100,000 people). Because restaurants can—and do—go through huge amounts of food at an event, special prep planning is usually necessary. Tony Roma's goes into 24-hour operation through much of the summer for cookoffs. "It puts a strain on the restaurant, but aren't those the kind of problems you love to have?" Dieterle jokingly asks.

Scheduling workers for both a busy cookoff and a busy restaurant can be a chore, too. For the National Rib Cook-off, for example, Tony Roma's needed 20 employees to work its booth. To fill the slots during the heavy summer cookoff schedule, Dieterle puts up a sign-up sheet in the restaurant and also hires a corps of youngsters to work only cookoffs. Those who work throughout the summer receive a bonus at the end.

Although working the cookoff booth can be grueling in the summer heat, employees generally enjoy the fun and excitement of these events. For cooks and kitchen workers, especially, cookoffs are a real morale-booster, providing a rare opportunity to step into the spotlight and to have gratifying personal contact with the customer.

In addition, showmanship that might not be welcome behind the line in a restaurant is often an attraction in the looser atmosphere of a cookoff, and, in fact, many cookoffs present showmanship awards. Geppetto's cookoff crew, says O'Malley, has worked up a crowd-pleasing rap song that encompasses dance steps and tong-twirling. Other attention-grabbing tricks include costumes and bands. And, of course, bragging is a big part of any cookoff. For example, The Lobster Pot's McNulty advertises her chowder, made by her son and chef Tim, with buttons and bumperstickers that read, "Tim's Chowder—It's Un-Canny." "You have to have a little theater," laughs the owner.

Despite the playful atmosphere at the events, the successful cookoff competitors are serious about the food they serve. And with good reason. Many attendees make their initial contact with most of the competing restaurants at these events, so it is important to make a good first impression. Consistency of product is key, but can be made difficult by the unfamiliar outdoor cooking systems and the steady, high-pressure crowds. Dieterle of Tony Roma's, a consistent winner in national events, has developed a formula for success that includes having management people at the booth at all times during a cookoff and giving all his servers the freedom to refuse to serve any rib that is not up to par.

An aspect of cookoffs that should not be overlooked is health department requirements regarding such necessities as hot water, sneezeguards and food temperatures. Because these are usually spelled out on the entry form that is mailed to all potential competitors, planning can usually avert any problems.

Sponsoring a cookoff

Quite a few restaurants that have had success in cookoffs later decide to sponsor an event of their own. The owners of Hard Times Cafe (two units), an Alexandria, Virginia-based chili parlor, find that these cookoffs are an effective way to build name recognition and community support.

One of the first steps in planning a cookoff, says owner Barry Thompson, is to select the charity that will benefit from the event. Although the restaurant ends up being responsible for much of the organizational activities and legwork, the charity often supplies the administrative support, especially in the area of promotions and media relations.

Another important consideration, says Thompson, is securing city permits and establishing health department requirements. The planning of chili cookoffs entails the additional problem of obtaining sanctions from one of two governing societies, the International Chili Society or the Chili Appreciation Society International. Competitors in cookoffs vie for points that allow them to qualify for state and regional cookoffs. The owners of Hard Times Cafe work with the societies to select appropriate days and publicize the event to qualified individuals.

When selecting judges, Parker tries to get a balance of food critics, food writers and local celebrities, such as the mayor or a popular disc jockey. "We always get the best judges we can," he says, "because if a cook doesn't win, he's always going to blame the judges."

Hard Times makes it a point to entertain the crowds at its cookoffs with live music and offbeat competitions, such as the ever-popular jalapeno-pepper-eating contest. And, of course, the beer always flows freely. "Immediately following a cookoff," says Thompson, "we always get a nice little blast in the restaurant. But the important thing is raising money for charity." Over the years, Hard Times has raised nearly $100,000 for the National Kidney Foundation. ❑

David Slater is a communications specialist at the National Restaurant Association.

#93

The management decathlon

There is a powerful analogy between the world of sports and the world of management, not only in the strict standards and exacting regimens to which managers must adhere but also in the language they use to conduct business. Sports metaphors, such as "hit a home run," "deliver a knockout punch," "blitz the competition," are commonplace.

There is even a corresponding *management* taxonomy that corresponds to the Olympic 10-event competition. I refer to it as the *Management Decathlon*. Consider:

1. The pole vault. Managers are constantly faced with new objectives and standards. In the beginning, such objectives and standards are relatively easily met, but when a manager moves up the competitive ladder (is promoted), objectives and standards are raised each step along the way, becoming ever more difficult to surmount. The "vaulter" has to vault higher and higher just to keep going. Some competitors drop out along the way or are satisfied with staying at a certain elevation, not wanting to risk the next "notch." On occasion, a surprise occurs, and someone comes out of nowhere to vault ahead of the "known" participants in a particular field.

2. The dash. Successful managers possess speed: speed of thought, speed of action, speed of decision-making. Although the competitive field often starts out even, managers who can rapidly break away from the pack to cross the finish line first are those who have workable ideas, the desire and ability to keep going without losing concentration, the ability to coordinate mind with body (planning with execution) and the ability to adjust to the conditions of the "track."

3. The long (1,500-meter) run. Although speed is essential, stamina is also imperative for success over the long haul. Some of the competitors may sprint too fast and too soon, and they "burn out" before the longer run is completed. Just like their athletic counterparts, they look good in the beginning but fade fast and finish well back in the pack, if they finish at all. Good managers recognize the situation they are in at all times—i.e., whether it's a dash or a marathon—and pace themselves accordingly.

4. The hurdles. Astute managers know that they have to overcome repeated hurdles on their way to the finish line. Thus they measure their strides carefully to leap at the right instant and to extend themselves during the leap, so they don't "trail," tip a hurdle, fall and injure themselves, which would preclude them from finishing at all. The gracefulness and dexterity with which they handle each hurdle is noticed and admired by important spectators.

5. The shot put. From time to time, managers must deal with rather weighty problems. As with most things, the more practice and experience a manager has, the easier it becomes, and each succeeding problem or challenge doesn't seem all that weighty. In fact, proper handling and placement (delegation) is an important technique that is exercised over and over again by successful managers, who think about the push—not about the weight.

6. The javelin throw. Managers must drive their points home to the intended targets with both force and agility. The steps they take before releasing those points can bear heavily on the result, for the proper groundwork is a prerequisite to achieving optimal results. The right trajectories must also be identified, so that the points can land where they are intended, and not fall short or wide of the mark. Once everything is in place, the manager must be careful not to "go over the line" or a "foul" will be called, and all effort will go for naught.

7. The short (400-meter) run. Successful managers are good tacticians as well as good strategists. They don't look beyond the course they are on when it is necessary to concentrate on the shorter track. Although they can't sprint as in the "dash," they do need to operate at a brisker pace than is required in the long run. Thus, successful managers are in shape for both the short run and the long run and realize that the strength of their performance in the shorter run can affect how well they do later over the longer distance.

8. The high jump. Managers need to clear barriers (challenges) by overcoming them; and the higher they clear them, the better off they will be. Although some challenges are best met "head on," many are better overcome by approaching them from a different or a side angle. Sometimes the side approach, coupled with a strong running start, is the best strategy.

9. The discus throw. With all the vagaries of business life, a manager often feels that he/she is turning (spinning?) round and round, gathering momentum by touching all the bases within his/her purview. Even though this turning occurs, successful managers keep their focus on the objectives and deliver what is well in hand to the greatest possible degree. To hit the target, successful managers must take into consideration the wind (environment) and must be sure of the footwork (operating base) and trajectory.

10. The long jump. Successful managers are those who can take a long leap forward and still wind up on their feet. Such a "jump" may represent performing one's current duties at a heightened level of excellence, taking on new responsibilities or leaping into new territory. Concentration is required at all times, as are desire and determination. A running start is also required; one cannot stumble and expect to do very well.

Fisher's Law #93: ***When you are on the management track, stay on track. When you are in the field, be alert to field conditions. When you win, realize that it's a team victory.***

NEWSLETTERS

RESTAURANTS USA SEPTEMBER 1988

A LIFELINE TO CUSTOMERS

by Dorothy Dee

Terms like "hot off the press," "front page" and "late edition" are taking on new meaning for hundreds of restaurateurs. From coast to coast industry professionals are entering the literary field through the back door by publishing their own newsletters—especially those directed at customers.

Favored over radio and newspaper advertising for their reduced cost and more targeted audience, newsletters are being used by operators to boost sales by promoting the restaurant, its menu and special events inside and outside the restaurant. With an exciting mixture of restaurant news; culinary information; and employee, customer and community updates, restaurants are creating newsletters that are welcomed in the homes and offices of present and future customers.

What's Included

Most newsletters include a variety of topics targeted to the restaurant's market. Some are "hard-sell' items, such as coupons, a special-events calendar, discounts or gift certificates. Others are "soft-sell" items that underscore the restaurant's theme, reputation or particular cuisine in an indirect way, such as recipes from the chef, glossaries of culinary terms and articles on food and wine. What is included depends on the restaurant's objectives.

Underscoring uniqueness

Primarily, restaurants use newsletters to underscore their uniqueness, emphasizing services that set them apart from competitors. For instance, Skoby's, a 400-seat atmosphere steakhouse in Kingsport, Tennessee, highlights its unusual layout and decor by including a blueprint of the inside of the restaurant in its new bi-monthly eight-page newsletter. Each issue highlights a few of Skoby's 15 private dining rooms. One recent issue featured "The Bedroom," a 9 x 11-foot room draped in red velvet and lit by a Victorian fringed lamp, where up to six customers

(continued on page 28)

Dorothy Dee is a freelance writer in Bethesda, Maryland.

Skoby's
RESTAURANT
Upcoming Events
Congratulations...
THE BEAR'S GROWL
VOLUME 1 NUMBER 1
Published by The Great Lost Bear

Don't Let Your Newsletter Become Just Another Piece of Junk Mail

by Linda Benedict

Well-done newsletters are a wonderful means of communication. Readers like them because they are short, to-the-point and concisely written. Good newsletters are what the name implies—a letter, a personalized means of communication, with news, the latest information.

However, there are two types of newsletters—those that get read and those that don't. Making sure your newsletter is read takes planning and commitment.

(continued on page 32)

Linda Benedict is an instructor of agricultural journalism at the University of Missouri in Columbia, Missouri.

(continued from page 27)

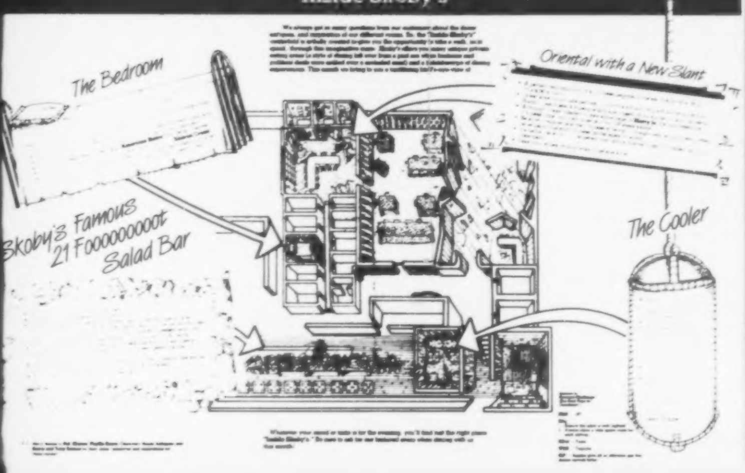
can dine off a custom-made brass bed—"It's the only time you're allowed to eat crackers in bed!"—and also "The Cooler," where 16 customers can dine in an old-fashioned refrigerator/meat-locker surrounded by authentic-looking meats and cheeses hanging from hooks overhead and antique kitchen and butcher utensils on the walls.

In addition to underscoring Skoby's unique layout, executive chef and president Rick Barger believes that including a graphic design of the establishment in the newsletter is a form of customer training, a way to make customers feel familiar with their surroundings and to guide them through the restaurant.

Other items that set restaurants apart from the competition include cooking classes, features on visiting chefs from out-of-town restaurants or a story on an upcoming food and/or wine festival in the restaurant. When Mr. Stox in Anaheim, California, a 225-seat upscale restaurant, started its newsletter seven years ago, the principals "wanted to let the local trade know what we were capable of doing in the area of food and wine, to let them know how serious we were," says co-owner Ron Marshall. Today, Mr. Stox highlights culinary classes, local outings to cultural events and even restaurant-sponsored international travel in its newsletter, *Epicurean.*

Co-owner Marshall claims the newsletter is more effective than other forms of advertising in separating his establishment from nearby chains. "Because we [the owners] always go to the events, customers get a chance to get to know us. In this day and age if your customers get to know you personally, that is a big benefit," claims Marshall.

Inside *Skoby's*


The Bedroom
Oriental with a New Slant
Skoby's Famous 21 Foooooooooot Salad Bar
The Cooler

Building traffic/sales

Newsletters are also designed to bring customers into an establishment at typically slow times or to sell specialty items or services. For instance, the Richard Perry Restaurant in St. Louis, Missouri, a 172-seat fine-dining establishment, uses its newsletter "to even out our peaks and valleys in sales," says owner Richard Perry. "We see people who are on our mailing list calling in after a mailing. We see them more frequently after a newsletter than before it." Perry also has had success with special promotions advertised in his newsletter. Last Christmas the restaurant featured a gift certificate for breakfast for two delivered to the customer's home. The offer, which was only promoted in the newsletter, garnered 200 takers. It featured a cold breakfast prepared in the restaurant with a rolled omelet, smoked fish, breakfast meats, breads, coffee, juice and a bottle of champagne for $50. Proprietor Perry says the restaurant still receives calls from customers wanting to redeem their gift certificates.

Up north, the Great Lost Bear in Portland, Maine, uses its newsletter, *The Bear's Growl,* to sell collector's edition T-shirts and jackets. Co-owner David Evans of the 125-seat restaurant and bar says that one recent newsletter mention resulted in 50 orders for $7 T-shirts alone.

Educating customers

Newsletters can be an effective educational tool, expanding customers' culinary knowledge and clearing up any menu confusion. Some operators give culinary his-

What to include in your newsletter

How will you fill your newsletter? That question has kept many an operator from undertaking the publishing project. But the contents of a newsletter are literally boundless and quite easy to fill. Restaurateurs have access to more information than they could possibly use.

☐ **A calendar** of restaurant promotions or events. Some operators include community activities.

☐ **Recipes,** preferably those from your own operation or developed by your chef.

☐ **Cooking tips and food hints,** such as how to make a sauce or store produce.

☐ **Personnel profiles,** with photos and bios and mention of any special awards or honors. For example, when Karen Olters, pastry chef at The Chef's Garden in Naples, Florida, was featured in *Florida Home and Garden,* readers heard about it in the restaurant's newsletter "The Main Ingredient."

☐ **Photos of customers** dining in the establishment. Both Trotters and Bones in Atlanta prominently feature their customers in their newsletters. They devote pages to guest promotions, accomplishments and birthdays as well as pictures of regulars. Skoby's publishes a birthday list and a "people" column.

☐ Descriptions of **new menu offerings and specials.**

☐ **Restaurant news,** such as awards and celebrity visits.

☐ **Polls or questionnaires** querying customers about planned services or

special or new menu items.

☐ **Gift ideas** and mention of **signature items** on sale in the restaurant.

☐ **Party hints** that tell how to prepare a large lunch or a large amount of dip or other dish.

☐ **Special events and announcements,** such as fashion shows, cooking contests, visiting chefs, and holiday promotions and offers.

☐ **Cooking-course announcements,** which feature on-site cooking classes or classes being offered by other community organizations. Include a registration form.

☐ Information on **restaurant-sponsored trips.**

☐ Columns on **new foods,** specialty ingredients and/or an explanation of American and foreign culinary terms.

☐ **Coupons and gift certificates.**

☐ **Advice on where to dine** and stay when travelling to popular cities in the United States and abroad. (Your own "hall of fame.")

☐ **Community events.** Report local news that relates to the lifestyles of your target market—whether it is the winner of the local bowling league or an announcement of a local theater production.

☐ **Culinary history** of menu items, or trivia cited by your bartender.

☐ **Beverage tips**—from how to open a bottle of champagne to how to select the right beer or wine to go with a menu item.

At the end, don't forget to include an address form to keep your mailing list up to date and to add new names. Call it a "VIP List," the way Schuler's of Marshall, Michigan, does in its bimonthly newsletter. Since word-of-mouth advertising is still the most effective form of advertising, encourage it.

tories or explanations of food items on the menus; others talk about wines and spices; still others challenge their readers to answer culinary quizzes. For instance, Hersh's Orchard Inn in Towson, Maryland, a fine-dining establishment with 180 seats, used its newsletter as a vehicle to resolve customer complaints about stone crabs, one of the restaurant's best sellers. When customers complained that their fresh stone crabs had a sticking problem, Hersh's seized the opportunity to publish an explanation. "They felt it was because our crabs weren't fresh, but they were," explains restaurant manager Mike Pachino.

Monique Hooker, owner of Monique's in Chicago, uses a goodly portion of her four-page newsletter to introduce customers to new specialty produce and herbs and to explain culinary terms often seen on her French-bistro-style menu. A column titled "culinary corner" describes common ingredients or techniques, such as sauce preparation, or discusses specialty produce such as wing beans, fiddlehead greens, mache and tomatillo. And a third, called the "herb column," features descriptions of herbs—examining their appearance, culinary history and commmon usage. An accompanying recipe or two utilizing the herb gives readers a chance at first-hand experimentation.

Articulating the rationale for including these items in the newsletter, Monique says, "I use these columns to educate customers so that when they come into the restaurant, they know what the menu items are and are not afraid to order them."

The look

Like the contents, the design makes a statement about the establishment and should echo the flavor of the restaurant—classy if the restaurant is upscale; folksy if it is casual.

Monique Hooker "wanted something impressive, something that looked different" for her newsletter, so she chose a brown paper stock and green as the highlight color—colors she uses in every issue. These colors echo the colors in her restaurant. The restaurant logo is green, and the brown paper is meant to tie in with the warehouse location.

Photos or graphics can be used to accent the copy and attract more interest. To keep cost to a minimum, black-and-white photos or two-color sketches are popular. A word of warning: Do not use black-and-white photos of food in your newsletter—more often than not they look unappetizing. Instead, show a photo of the chef preparing the food or customers enjoying it.

Putting it all together

☐ **Cost.** To publish a newsletter requires an investment of at least $500 and possibly much more, depending on the look and

Hotels, too, are in the news

To Dale Carlson, public relations manager for the Hotel Inter-Continental Hilton Head on Hilton Head Island, South Carolina, "A repeat guest is a happy guest." One way that the Inter-Continental Hilton Head hopes to guarantee the return of happy guests is by publishing the hotel's new quarterly newsletter, *Voyager.* This eight-page, four-color publication, just two issues old, is full of beautiful photos of the hotel and nearby beaches, as well as hotel restaurants, guest services, outdoor pools and other hotel facilities. *Voyager* readers learn of fun-filled honeymoon and family packages, special seasonal cultural events and interesting facts of historic and marine life. *Voyager,* whose circulation tops 28,000, will shortly be published in three versions—one targeted at past guests, another at meeting planners and yet a third at travel agents. Each version will contain a mechanism for the hotel to measure the publication's effectiveness—namely, a business reply card where readers can obtain more information on facilities and services tailored to their needs.

HOTEL INTER-CONTINENTAL
VOYAGER
YOUR SEASON FOR SUCCESSFUL MEETINGS
SPRING GOLF AND TENNIS PACKAGES MADE FOR YOU

Tips for employee newsletters

Employee newsletters serve a valuable purpose in an organization. They not only help management communicate to employees, but they also help engender company loyalty. They do, that is, if they are read and enjoyed by the employees.

To get your employees to read your newsletter, you have to write about more than company policy. You'll have a winner on your hands if you can include articles that meet the five basic needs people have: Everybody wants to get recognition, to increase wealth, to feel safe, to save time and to have some fun.

Employee newsletters are perfect vehicles for meeting these needs. For example, everybody likes to see his or her name in print. People read newsletters looking for names and faces they know so include names and photos of people liberally in an employee newsletter. Some newsletters have a regular department called "People in the News" or "Employee Tidbits" where personal news, such as births, weddings and awards, is published.

You can use employees as sources for articles on the other needs as well. For example:

☐ Money-saving or service tips from employees.

☐ Employee suggestions for improving the safety of the workplace.

☐ Ways busy employees save time.

You can also generate articles on these topics from the management perspective. What is the company doing to help employees increase wealth, have a better health insurance plan or use their time more wisely? Play up these articles in the newsletter.

The last need is the one too often overlooked. People like to have fun. Include a little humor in your newsletter. A "blooper-of-the month" article might bring a smile to employees' faces.

Employee newsletters should follow the same organizational plan of any other type of newsletter. The front page should include the most "newsy" and best-written article. This is not the letter from the boss. If your newsletter includes a "personalized" communication from the manager or owner, then reserve it for page two. These letters are usually too dull to take up the expensive real estate of page one. Better yet, eliminate them. Include any new information from the boss in a straight news article.

The employees should see the newsletter as being for their benefit. The articles should be enlightening as well as entertaining; if they are, the newsletter will be something employees look forward to receiving and reading.

—*Linda Benedict*

The message to employees

The exceedingly versatile newsletter has found a place in the internal communications efforts of large chains like Pizza Hut Inc., Marie Callender Pie Shops, Inc. and Friendly Ice Cream Corporation. These chains use newsletters as a communications conduit to both employees and franchises, informing them of company progress, programs and benefits that promote employee retention.

Jeff Lightburn, corporate communications director of Pizza Hut, Inc., says the company's quarterly publication *Pizza Hut Today* replaced three earlier publications aimed at different employee audiences. Lightburn called the new publication "more upbeat," "cost effective" and "consistent." Not all is gone from the old publications, though; regular columns offer operational tips. One called, "The Bottom Line"—aimed at managers— offers operational assistance on everything from new equipment to quality assurance. *Pizza Hut Today* also publishes answers to difficult questions called in to the company's hot line, a service available to managers.

Moreover, the newsletter sometimes functions as a recruitment tool. One recent supplement headed, "We're Makin' It Great," carried an interview with the company's president and featured articles on 20 different employees at the corporate and operational level. In addition to bolstering morale among current company employees, the supplement was used to recruit high school and college students.

Friendly Times, published each month by the Friendly Ice Cream Corporation in Wilbraham, Massachusetts, includes many features aimed at increasing employee satisfaction. The eight-page tabloid, which goes to all field and corporate employees, includes a supplement featuring special incentive programs and promotions throughout the company's four regions. Recent issues of the newsletter feature philanthropic efforts, such as the company's "Cones for Kid's" program, which helped raise funds for the National Easter Seal Society, and special employee benefits, such as an employee assistance program that helps company employees solve difficult personal problems on and off the job.

Friendly Times
NOW HIRING
Inside This Issue

Friendly's has chosen an oversized (tabloid) format for its newsletters, and prints on standard newspaper stock. The four-color, eight-page newsletter is printed on 17 x 22½-inch, 50-pound stock that is folded in half to yield a 17 x 11¼-inch newsletter.

The *Friendly Times* also includes an article complete with photos on the company's manager in training and employee rap session programs. The rap sessions, small-group meetings of six to eight people, serve as a forum where employees share views and ask questions on subjects ranging from working conditions to restaurant procedures.

And Marie Callander Pie Shops, Inc.'s newsletter, "Shop Talk," has a question-and-answer column asking servers to send in their creative solutions to difficult problems, such as how to tell parents nicely that their children are disturbing guests.

length of the newsletter, the type of paper stock used and whether the writing and design is done inhouse or by an outside professional. Additional factors contributing to cost are the number of colors used in printing, the number of photos or illustrations used to accent the copy and the mailing costs.

☐ **Size.** Most newsletters tend to be four pages, folded into a self-mailer and printed in two colors with black-and-white photos or sketches. Operators can select from a variety of paper stocks to gain the look and style they need. Eleven by 17-inch paper is particularly popular because it yields four pages for copy or photos. And when folded into halves or thirds, it produces a self-mailer. However, some operators, such as John Foy of Le Delice in Whippany, New Jersey, and The Restaurant in Bethesda (Bethesda, Maryland), have created their newsletters to read like a personal letter. Their message is on a single sheet of paper, which is then folded into thirds to create a self-mailer. And Trotters of Atlanta uses several sheets of 8½ x 11-inch paper, which are halved and then stapled, to create an 8½ x 5½-inch booklet

☐ **The frequency.** Operators say that newsletters must come out with a certain degree of frequency to maintain consistency and reader interest. Most independents seem to publish newsletters three or four times a year.

☐ **The production.** The production time for newsletters can range from one to three or more weeks, depending upon the size of the newsletter, the complexity of production (the different number of elements being combined) and the number of editorial review stages. Typically, newsletters written by owner/operators take the shortest time. However, many companies use public relations or advertising agencies to handle the editorial work as well as the graphics, design, printing and mailing.

With the advent of desktop publishing and laser printers, it has become possible for operators to write and lay out their own newsletters. For instance, the Great Lost Bear in Portland, Maine, does all the typesetting, layout and mailing inhouse but sends the publication to a printer for duplication. Co-owner David Evans explains, "The Macintosh and the software package set the copy into columns and you can fiddle with it. It makes it very easy."

Not all restaurateurs, however, are advocates of desktop publishing. Skoby's executive chef and president Rick Brager currently writes the copy and has an advertising agency work on the design and filler items. Brager, who researched implementing desktop publishing and decided against it, says, "To get the quality you need [desktop publishing] requires so much training it doesn't justify itself."

☐ **The mailing list.** The success of the newsletter is intimately tied to the excellence of the mailing list. In fact, restaurateurs say that one of the chief benefits of the newsletter is that the audience is targeted. A sound sense of your restaurant and the demographics of your customer base are key to developing an accurate and useful mailing list. For instance, Monique Hooker includes local art galleries in her newsletter circulation, since her restaurant regularly features the work of local artists.

Most independent restaurants send newsletters to their customers, prospective customers, local media and possibly food experts in their area. Many develop their mailing list inhouse by keeping track of existing customers. The Liberty House Restaurant Corporation, which owns Trotters and Bones in Atlanta, uses a reverse city directory to research the addresses of guests making reservations. Operators also get names for their mailing lists through table tents querying customers on interest in the newsletter, by maintaining a log in the reception area where interested customers can request a complimentary subscription, by including a response card with the check at the end of the meal and by keeping track of their credit card sales. Others go beyond their current clientele and hire a mailing service to uncover the names and addresses of local residents or potential customers with a certain level of income.

☐ **Advertising.** The best way to advertise the newsletter is to prominently display it in your establishment. Place a copy in the reception area, at the bar, on each table; and include a newsletter in any carryout or delivery business that you do.

Tracking effectiveness

Although most operators will say that compliments from their customers are the best way to gauge the popularity of their newsletters, they also include periodic items that help monitor the newsletter's effectiveness. Simple ways to measure response are by including discount coupons redeemable at the restaurant, by announcing the sale of gift certificates or specialty items or by advertising special promotions, such as winemaker or gourmet prix fixe dinners that require registration and/or payment in advance.

One way that Hersh's Orchard Inn measures response is by asking its customers to complete a poll, such as one on nonsmoking sections. Another time Hersh's asked newsletter recipients to help rename the establishment's newly redecorated dining rooms. The winner received a $100 gift certificate to the restaurant.

Hersh's Orchard Inn Poll

Are you a: Smoker ☐
Non-Smoker ☐
If you smoke, do you smoke:
Cigarettes ☐ Pipe ☐ Cigars ☐
Would you like to see a separate non-smoking section? Yes ☐ No ☐

Please tear off and mail back, or bring in your responses with you. And thanks for your assistance.

At Skoby's, readers of the newsletter are encouraged to write in questions, ideas and names of favorite out-of-town restaurants. "Whatever the subject, drop us a line. We'll use as many letters as space allows, and what we can't use, we'll read as closely," readers are told.

The use of a culinary crossword puzzle is yet another clever way of measuring readership. Monique Hooker asked customers to complete a culinary crossword puzzle. The entrant who postmarked the first correct puzzle received a free dinner at Monique's, and the second runner-up got a complimentary bottle of wine. ☐

(continued from page 27)

Before you begin

Know your audience

The first step in planning a newsletter is too often overlooked: Know your audience. What do they have in common? For example, if your restaurant appeals to busy young professionals, then you'll want to keep the newsletter short. These people simply do not have time to read.

If your restaurant clientele are those with rather avant-garde tastes, they may appreciate insider details on where to get unusual food items.

But don't guess the characteristics of your audience. Find out. Ask some of your regular customers to fill out a short questionnaire or talk with a few the next time they visit.

Define your purpose

After you have defined your audience, the next thing to do is to define your purpose. Your primary purpose is, of course, to increase business. There's nothing wrong with that. But you'll soon run out of copy if that's all you put in your newsletter. Moreover, there is only so much self-promotion readers will put up with. If they find nothing substantial in your newsletter, just the sight of the envelope it comes in may be all they need to deposit it in the wastepaper basket.

To make sure your newsletter has breadth, write three or four purposes, or reasons why you print it. For example, you may want to keep your readers informed on new menu items or promotions, provide them with "secret" recipes from the chef for home entertaining or give them nutritional pointers.

When you commit your ideas to paper, you are forced to be specific. The more specific your purposes, the easier it will be to prepare your newsletter. Your mind becomes tuned in to bits of information that could make good articles for your newsletter. You can set up a file. Each time you go to put the newsletter together, all you have to do is dig in that file for the material you need. Your newsletter preparation becomes more efficient.

Create an evaluation plan

Once you have been able to define some commonalities among your patrons and have put together three or four purposes for your newsletter, the next step is to figure out an evalution plan. Do this before you put out your first newsletter; it's a way to make sure you keep your audience and purposes in mind. Don't decide that your newsletter is worth doing based on income increases over the next year or occasional compliments. Income may increase or decrease independently of how award-winning your newsletter is, and the least reliable method of evaluation is word of mouth. Most people are too polite and thoughtful to tell you to your face that your newsletter is boring.

There are a couple of ways to evaluate your newsletter that are relatively simple and will provide you with reliable information. The first method is the response article or item. At least one article in each issue of your newsletter should ask for some kind of action from the reader. If this action occurs, then you know somebody out there is reading. Examples of response articles might be:

☐ an order blank for acquaintances of readers who might like to receive the newsletter,

☐ a coupon redeemable for a discount or a free menu item,

☐ a call for more information on a given topic,

☐ an order blank for readers to stay on the mailing list. This one may be the ultimate test.

The second method of evaluation is a survey form. Ask what the readers read and don't read, like and don't like about your newsletter. Use this information to improve your newsletter.

You'll waste your time, though, if you don't design the survey the right way. There's an art to doing it. Here are a few tips:

☐ Ask only what you want to know and not anything extra. If you're not interested in income level or age, don't ask.

☐ Keep the survey form as short as possible—no more than one side of one 8½-by-11-inch sheet. The back of a postcard is best.

☐ Make it easy for people to return. Include a self-addressed, stamped envelope. A self-addressed, stamped postcard has advantages because it can be inserted in one of your newsletters.

Another tip for a survey is that you don't have to ask everybody. If you have a random sample, you can extrapolate the results to the whole population. Pick every tenth name from your mailing list, for example. You might also want to do a test survey on just a handful of people to make sure your questions are understandable.

Putting out the first issue

Now you're ready to put out that first issue. You know what you want to include. But how do you organize it and write it?

The most efficient approach to the organization of a newsletter borrows from both the newspaper world and the magazine world. You borrow from the newspaper world the news approach to determine the prominence of your articles. Your best, most timely and important article goes first. The rest of the articles follow.

You borrow from the magazine world the technique of departmentalization. That is, you put certain kinds of information under pre-determined headings. For example, these might include such things as nutrition notes, cooking tips from the chef or employee-of-the-month recognition. This technique makes your newsletter easier and quicker to read. Departments also help you become more efficient. You know exactly where to put certain bits of information without having to reinvent the wheel each issue.

Writing tips to remember

With this organizational plan in hand, you're ready to write the articles. Keep these tips in mind as you write:

☐ **Start off with a bang.** Don't beat around the bush. Get to the point. Newsletter articles don't need flowery introductions. They're supposed to provide a quick read for your audience. So borrow the concise writing style of newspaper journalism.

☐ **Use the more familiar and shorter word.** Write to express, not impress. Why say "utilize" when "use" will do?

☐ **Write at a level slightly below what your audience is capable of reading.** They appreciate this because reading goes faster, and this saves them time.

☐ **Write the way you talk.** Keep your style informal. After all, this is a letter.

☐ **Edit your copy.** Let it sit at least 24 hours and then go back and get rid of excess verbiage and clean up the text for clarity. If possible, have at least one other person edit the copy for you.

The most important part of your article is the first sentence. After you've written the first draft of the article, go back and make sure that first sentence grabs attention.

Even more important than the first sentence is the headline. It's safe to say that headlines make or break your newsletter. What do people do when they scan a publication? They read the headlines. That determines what they will read—if they read anything.

Rules for good headlines

To write a good headline, follow these rules:

☐ **Use action verbs.** Verbs like "grab," "strike," "stir" and "build" are all verbs that imply action. Stay away from static verbs like "is" and "are." A headline is even more static if it does not include a verb. These are called "label headlines" and can be deadly unless they are used in combination with a smaller headline that includes a verb.

☐ **Keep the verbs in present tense.** This is the style readers are used to in newspapers. Present tense usually takes up less precious space.

☐ **Get to the point.** Tell what the article is about.

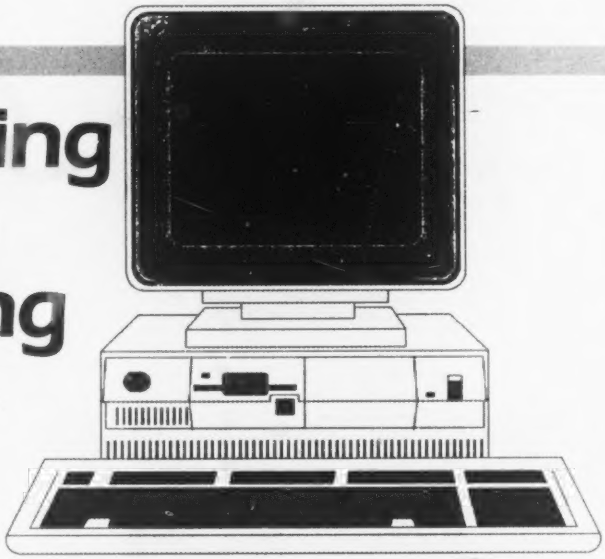
☐ **Be clever, if you can.** Writing good headlines is a good editing technique as well. After writing a headline, people often change their first sentence or paragraph to match the headline. What happens is that as you struggle with writing the headline, you cut through to the essence of the article. Headline writing helps you make the point as concisely as possible.

People like newsletters

Research shows that people prefer newsletters over other communications media. Newsletters can be a way to enlighten, entertain and endear your restaurant to your readers—if you have clear-cut objectives and a commitment to quality. ☐

Introducing Desktop Publishing

by William C. Schwartz



Perhaps the term "desktop publishing" (DTP) is one you've heard before. At last count, more than one million people had purchased DTP software, and the number is growing at an amazing pace. While the vast majority of DTP users are not involved in the foodservice industry, there are definite ways in which this new technology can be of use to operators. In its most basic form, DTP is simply a way to "paste up" words and pictures (graphics) using a computer screen instead of cardboard, scissors and glue.

With a laser printer, you can design, lay out and print professional publications—menus, newsletters, table tents, promotional material and ads—with near-typeset quality, without using typesetters, graphic artists or pasteup services. In fact, you only need a print shop to print large numbers of copies or for color work. Even if you insist on true typeset quality, you can simply copy the document you produced on to a floppy disk, take it down to a typesetter who has the proper equipment, and have it processed at a fraction of the cost of normal typesetting services.

For example, an experienced DTP user can write the copy for a newsletter on a word-processing package. Then he or she starts up the DTP software and "imports" the copy that has just been written. Next, the DTP user selects the type style and point size and places the graphics (pictures, drawings, etc.) where he or she wants them in the publication. All this is done on the computer screen,

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making it possible to rearrange and edit material until everything is just the way the DTP user wants it. Finally, the newsletter is printed on a laser printer, and the print-ready pages are taken to the local printshop for duplication. Of course, very few people start out with the knowledge required to jump right in and begin producing fancy documents; but with the user's manual and the tutorials provided, you can be up and running on the DTP software within a few days.

Tools of the trade

Tempted? All you need to get started is a computer, DTP software, a laser printer, some type fonts, a mouse (electronic variety) and the time to learn how to use it all. It also helps to have some talent in the areas of copy writing, graphic arts and typography.

Still tempted? Perhaps more detail would help. As with most computer decisions, the first step is to select the software you want to use. The two most popular in this field are PageMaker® (Aldus Corporation) and Ventura Publisher® (Xerox Corporation). These packages generally cost between $600 and $800 each. There are, of course, various other DTP packages on the market in a wide variety of prices and capabilities.

The next step is the computer decision. In earlier years, there would have been no choice but to purchase a Macintosh® (Apple Computer, Inc.) It was the only system for which DTP software was available. These days, however, the choice is not that simple. Many DTP software companies have adapted their products to work on IBM-type systems as well.

However, most advise against using "PC"-class systems (Intel 8086 or 8088 processors), since DTP software is heavy stuff for low-horsepower processors, making it unacceptably slow to use. Instead, you will need an "AT" or "386"-class system (Intel 80286 or 80386 processor). The price tag for the computer ranges between $2,000 and $6,000.

It is also important to consider that not just any video monitor will do. DTP applications are heavily graphics-oriented and therefore require video boards and monitors capable of displaying graphics. With Macintosh, this capability is built-in. In the IBM camp, however, it will be necessary to specify graphics capability; and if you like color, you'll need EGA or VGA monitors and video boards. You can even buy monitors specifically designed for DTP, which have 16-inch screens that can display an 8.5 x 11-inch page at full size. Add between $500 and $2,000 for the monitor of your choice.

Finally, you must choose a laser printer. With Macintosh the choice is usually Apple's LaserWriter, although other laser printers are available to run with the Mac. With the IBM camp, the most popular laser is Hewlett-Packard's LaserJet®. Not to be denied, at least 20 other companies produce laser printers for use in the personal computer environment. Be sure that whatever laser printer you buy, it has plenty of built-in memory. Two megabytes should be considered a minimum for DTP printing.

To complicate matters further, you must choose between printer languages. These languages are included with the printer. The DTP software will need to communicate with the laser printer, and there are two languages that dominate the field. PostScript® (Adobe Systems, Inc.) is the most flexible—and the most expensive. Apple has always used PostScript, and many other manufacturers produce PostScript laser printers. Hewlett-Packard, on the other hand, pioneered the PCL language, and by virtue of HP's popularity, established it as a standard.

Invariably, PCL-type printers are less expensive and less capable than PostScript-type printers. The differences in capability between these two languages are substantial, and they should be investigated before making your printer purchase. Laser printers generally cost between $2,000 and $6,000, with PostScript printers toward the higher end of the range.

There is one more consideration. One of the best things about DTP is the ability to use various typefaces. DTP applications generally refer to typefaces as "fonts." Most PCL laser printers come with Courier, which looks like a standard typewriter type. PostScript printers generally come with a larger variety of built-in fonts. Additional fonts are purchased separately. Many companies provide whole libraries of fonts from which you can pick and choose.

Where the rubber meets the road

But don't be put off by the technical details. Computer dealers will bend over backwards to explain them to you in great detail and to show you all the slick systems you can stand to see. Suffice it to say that your investment in DTP will range from $6,000 to $15,000, depending on the equipment you select. Of course, the same computer can be used for other applications, such as accounting, word processing and spreadsheets, to name a few. If you look simply at the investment required to add DTP capability to a suitable computer, which basically involves software and the laser printer, your investment becomes $3,000 to $10,000.

Whether you find the investment worthwhile will depend upon the uses you have and the money you currently spend for newsletters, menus, inserts, table tents, announcements, advertisements, promotional literature and other publications. Consider your current expenditures for typesetting, graphic arts and paste-up work. Consider the potential for increased revenues through the production of newsletters and other promotional devices that had been prohibitively expensive.

But even if you're not quite ready for DTP, it would be well worth your time to learn more about it. Foodservice people have long understood the significance of how things look. The way food looks, the way the room is decorated, staff uniforms and every form of printed matter placed before the customer all have a dramatic effect on the success or failure of the business. DTP represents a way to maintain a high-quality "look" without the ongoing high expense of outside publishing services. ❑

RISOTTO

For a wholesome flavorful alternative to pasta, try risotto—a dish in which rice is the star.

"Rice, like pasta, is a vehicle—a marvelous versatile carrier of other flavors, textures and tastes. And risotto is the king of rice dishes," write Constance Arkin Del Nero and Rosario Del Nero in their soon-to-be-published book, *Risotto: A Taste of Milan* (Harper & Row, 1988).

Risotto is a northern Italian specialty that can enhance the appetizer and entree section of a menu. One distinctive feature of risotto is its tender and creamy texture. Another is its gentle, slow-cooking method. Rice is cooked briefly in butter or oil with flavorings. Then a fragrant stock is added, one half cup to one cup at a time to keep the rice moist as it

RISOTTO AL SALTO
Italian Risotto Patties

Makes 9 patties

Cooking tools:
You will need two bowls, a nonstick pan, a wooden spatula or flat wooden spoon (metal may break patties), wax paper and paper towels.

Ingredients:
3 eggs
1½ cups finely ground bread crumbs
3 cups leftover risotto
1 tspn. milk
Freshly grated black pepper to taste
3 or 4 tspns. butter
½ tspn. dried sage (optional)
Lemon wedges

Method:
Add two eggs and ½ cup bread crumbs to the leftover risotto. Mix well. Form patties approximately 3 inches across and 1 to 1½ inches thick. (If you make the patties too thick, the insides will not cook.) Set aside.

In one bowl beat the remaining egg together with the milk and some fresh pepper.

Pick up the patties one at a time, put into the bowl with the egg mixture and turn to coat evenly. Transfer the patty to the bread-crumb bowl, using your other hand, and turn until it is evenly coated. Arrange the coated patties on wax paper.

Place 3 Tbs. butter in a nonstick pan over medium heat. If you have a little dried sage on hand, add ½ teaspoon or so to the melted butter—it gives a lovely flavor. Once the butter is melted (it should be bubbling but not burning), slip a few of the patties into the pan. Be careful not to overcrowd the pan, because you need room to turn the patties.

After browning the patties for a couple of minutes, turn them over gently, using a wooden spatula. When the patties are golden brown on both sides, remove from the pan and place on paper towels to drain the fat.

Store the freshly sauteed patties in a low oven until you're ready to serve them.

When you serve the patties, place a freshly cut lemon wedge alongside. The touch of sour complements the rich patties wonderfully.

Reprinted with permission from *Risotto: A Taste of Milan*.

RISOTTO ALA MILANESE
Risotto with Veal Marrow and Saffron

Serves 4 to 6

Ingredients:
Approximately 6-8 cups beef or mixed meat stock
6 Tbs. butter
1 medium white onion, cut into small pieces
1 Tbs. veal marrow
~~2 cups raw rice~~
¾ cup Lugana wine*
Pinch saffron, or one (12/100 gram) Italian packet saffron
¾ cup grated Parmesan cheese

Method:
Set the stock to heat on a back burner. Keep it hot, but not boiling, throughout the entire procedure.

Melt 5 Tbs. butter in the risotto pot. Spread the chopped onion over the bottom of the pot and stir gently until it becomes transparent.

Add the veal marrow; mix well.

Add the rice, increase the heat a bit, and stir until all the grains are glossy with the marrow butter. Pour in the Lugana, mix and let steam for a few seconds. When the wine is almost gone, add the first cupful of hot stock and mix. Wait for this to be absorbed while stirring often, then add another cupful of hot stock. Continue doling out the stock and stirring until the rice is ever so slightly chewy.

Dissolve the saffron in ½ cup of stock. Once the rice is almost tender, put the saffron stock over the risotto and give a good stir. (If you add the saffron directly to the pot, the rice will not be homogeneously colored.) The saffron reaches peak flavor in just a couple of minutes, so make sure you don't add it too soon.

Take the pot off the flame, add the remaining tablespoon of butter. Mix. Add the grated Parmesan and cover. Serve immediately, with an extra supply of cheese.

A good red wine is the perfect partner for this dish.

**Other suggested red wines: Oltrepo Pavese Barbacarlo, Rosso, or Barbera Narbusto, Franciacorta Rosso (all Lombardy) or Dolcetto (Piedmont).*

Reprinted with permission from *Risotto: A Taste of Milan* by Constance and Rosario Del Nero. Harper & Row, New York, 1988.

cooks. The rice is stirred almost constantly for 25 to 30 minutes to prevent sticking and burning.

Arborio: The rice of choice

Although risotto can be prepared with nonItalian rices (the Del Neros claim Uncle Ben's rice is an acceptable substitute), the creamiest result—and the one most prized by risotto lovers—comes from arborio, a pearly rice grown in the Po Valley of northern Italy. Its virtues include its ability to stand up to the cooking process. It does not fall apart or become mushy; in fact, its grains remain al dente but are held together by a smooth creaminess.

Most chefs insist on arborio rice, for "there is no substitute for arborio," Amelia Hard says emphatically. "Other rices (domestic, short-grain) just don't give the same texture." Hard is chef-owner of the 34-seat Genoa restaurant in Portland, Oregon, which features northern Italian cuisine. She will take risotto off the menu rather than substitute another rice. "It's not difficult to get. My wholesaler carries it," she says.

Food writer Janet Fletcher, author of *Grain Gastronomy* (Aris Books, Berkeley, California, 1988) explains that arborio has an unusually high starch content that gelatinizes upon cooking. "When cooked slowly, arborio doesn't split open like long-grain rice. Rather it swells gently and forms a creamy sauce. People like the texture. I think they find it comforting," Fletcher speculates.

A versatile dish

Despite its long preparation time, chefs like risotto because it is different and versatile. Hard marries risotto with fresh, local seafood for a dish that Genoa patrons love. "It also makes a good unusual use of new, spring asparagus," she adds. Ali Barker of the Union Square Cafe (120 seats, New York City) uses risotto to reflect the seasons. "In the summer I have risotto with escargot, garlic, parsley, and red and yellow peppers. I'm planning one with duck confit and Parmesan for fall." He has also created risotto dishes using fennel sausage, zucchini blossoms and romano cheese; porchini mushrooms and lingonberries; and spicy tomato sauce, squid and shrimp.

Seafood and vegetables also dress up risotto at Cafe Roscoe (160-seats) in Providence, Rhode Island. Chef Karen O'Connell often serves it as a pasta course. She has combined it with zucchini, fresh tomatoes and Parmesan cheese and with little necks and scallops.

Risotto can be made from almost any ingredient, including garden herbs and squid ink. Besides the rice, all that is required are a broth and some parmesan cheese, says Del Nero. Other helpful tools are a heavy, nonaluminum pot and a sturdy, flat-bottom wooden spoon, used to gently stir the grains and roll the bottoms and angles of the pot.

How do chefs cope with risotto's long cooking time? Many chefs partially cook the risotto ahead and finish it off as the orders come in, but most admit it's not the best way to prepare the dish. Risotto made to order is preferable. In fact, in Milan, Italy, restaurateurs employ cooks whose sole responsibility is to prepare risotto. "They begin a new batch about every 15 minutes so no matter when guests arrive there's fresh risotto," says Del Nero. That is not usually feasible in the United States.

When Del Nero operated his own 80-seat restaurant in Ipswich, Massachusetts, (since sold), he could not employ a risotto chef, but he still strove for authenticity. In his ads he encouraged his customers to call ahead for risotto dishes. "Many of my customers came up from Boston; and by the time they arrived, the risotto was ready," he recalls. Del Nero also reports preparing extra portions—for example, enough for eight servings when he had an order for four. "I would then instruct the waitstaff to sell the extra portions," he says. Barker of the Union Square Cafe notes that risotto seems to sell better when people have a choice of risotto. Other restaurants often feature it as a daily special.

What to do with leftovers

If you have leftovers, that's not a problem, says Rosario Del Nero. "Risotto has to be served right away or the magic disappears; but leftovers can be used to make excellent side dishes." The texture changes, and it's easy to manipulate the risotto into balls that can be fried, like rice balls. Add eggs and bread crumbs and saute for risotto pancakes or croquettes. For a lighter dish, try a souffle. Any of these will dress up a menu. ☐

GREEN RISOTTO

This risotto is highly aromatic and makes a delicious first course before a grilled swordfish or salmon. Makes 4 servings

Ingredients:

4 Tbs. unsalted butter
2 large cloves garlic
½ cup loosely packed fresh basil leaves
1½ cups loosely packed fresh spinach, stems removed
½ cup loosely packed parsley, stems removed
1 small onion, chopped
1½ cups Arborio rice
About 5 cups chicken stock
¼ cup freshly grated Parmesan cheese, plus additional for serving
Salt and freshly ground black pepper

Method:

Bring 2 Tbs. butter to room temperature. Combine garlic, basil, spinach and parsley in a food processor or blender and blend to a near-paste. Add softened butter, blend well and set aside.

Melt remaining 2 Tbs. butter in a heavy-bottomed 4-quart saucepan over moderate heat. Add onion and saute until softened, about 5 minutes. Add rice and stir to coat well. Saute, stirring constantly, for 2 minutes. Bring chicken stock to a simmer in a separate saucepan. Add hot stock to rice ½ cup at a time, stirring constantly with a wooden spoon and waiting until each ½ cup of stock is almost fully absorbed before adding another. It should take about 25 minutes for rice to absorb stock and become tender.

Stir in herb paste and the Parmesan cheese. Season to taste with salt and pepper. Serve immediately in warm bowls. Pass extra Parmesan.

Reprinted with permission from *Grain Gastronomy* by Janet Fletcher. Aris Books, Berkeley, California, 1988.

RISOTTO ALAZUCCA
Risotto with Pumpkin

Serves 4 to 6

Ingredients:

Approximately 6-8 cups chicken or vegetable stock
1 small pumpkin
8 Tbs. (1 stick) butter
1 medium white onion, cut into small pieces
4 leaves fresh sage (or ¼ tspn. dried)
2 cups raw rice
¾ cup Rosso di Montalcino wine*
¾ cup grated Parmesan cheese
Freshly grated black pepper to taste
2 Tbs. chopped fresh parsley

Method:

Place the stock on a back burner to heat. Keep it hot but not boiling for the duration of the procedure.

Cut a 4-inch hole in the top of the pumpkin, and cut and remove the meat without disturbing the shell. Set the hollowed-out pumpkin shell aside.

Cut the pumpkin meat into ¾-inch cubes. You will need approximately two cups' worth for the risotto.

Melt 6 Tbs. butter in the risotto pot over low heat. Add onion and sage. As soon as the onion loses its color, add the pumpkin and stir for about one minute, till all the pumpkin cubes are well glossed with butter. Mix in the rice, coating it thoroughly, too, and making sure it doesn't stick to the pot.

Next add the wine, and stir until it evaporates. Then start ladling over the hot stock, a cup at a time. Wait for the rice to absorb the liquid between cupfuls. Stir occasionally.

After about 16 minutes, begin testing the rice for doneness. When it still has a very slight bite to it (al dente) but is tender, turn off the flame and fold in the remaining two tablespoons butter and grated Parmesan. Pepper it to your liking, and sprinkle with fresh parsley. Cover. After a 2-minute rest, spoon it into the pumpkin shell and rush to the table.

**Other suggested wines: Torgiano Rosso (also known as Rubesco), Rubino, Merlot (both Umbria) or Rosso Piceno (Marches).*

Reprinted with permission from *Risotto: A Taste of Milan by* Constance and Rosario Del Nero. Harper & Row, New York, 1988.

The American drought: its effect on food prices

Much of America's Farm Belt has been ravaged by drought in 1988. The extent of damage resulting from the lack of rain and its effect on food prices is not likely to be clear until later in the year. But according to the United States Department of Agriculture (USDA), the drought will certainly affect food prices. In July, USDA estimated a 3 to 5 percent increase in retail food prices for 1988. A larger increase is likely in 1989.

The drought has severely injured the domestic harvest of wheat, corn, other grain and soybean. According to the USDA, grain production in 1988 may reach only 212 million metric tons, a 24 percent decline from 1987. The drought has hit the corn crop especially hard. This year's corn output is projected to be 26 percent lower than last year's. In July the USDA predicted that soybean and wheat production for 1988 would drop 13 percent.

The decline in these crop supplies will translate into higher feed costs for livestock producers and, ultimately, higher meat prices. There is likely to be a delayed response, however, since livestock producers will first use feed stocks set aside from past harvests. In 1989, however, they will have to begin purchasing higher-priced feed. Thus, the main brunt of the drought is not likely to be felt until next year.

Most economic and agricultural forecasting groups concur with USDA predictions about the timing and extent of food price increases. The sharpest food-price advances should occur between late 1988 and mid-1989. Estimates by several forecasting groups for 1989 retail food-price increases range from 6 to 8 percent, well above any increase since 1982.

Prices received by farmers, 1988

Milk and egg prices should rise through the fourth quarter

	Quarter			
	I	II	III F	IV F
Choice Steers—Omaha ($/cwt)	$68.28	$73-74F	$65-69	$66-72
Barrows and Gilts—at 7 mkts ($/cwt)	44.74	46-47F	43-47	37-43
Broilers—at 12 major cities (cts/lb.)	45.00	55F	58	52
Eggs—NY Grade A large (cts/dozen)	55.00	53.2	66	70
Minnesota-Wisconsin 3.5%-fat milk ($/cwt)	10.65	10.34	10.60-10.85	10.85-11.10

F = Forecast

Source: U.S. Department of Agriculture

Beef

Traditionally, a severe drought forces cattle producers to increase their slaughter rates. This results in an increased beef supply to the market, thereby driving down prices temporarily. According to a USDA report in July, this scenario has yet to happen. But livestock producers in certain geographic areas have responded to drought distress by taking more cattle to market, in some instances 30 to 40 percent above normal levels, according to Georgia State University. In July, beef prices were expected to remain fairly steady through the remainder of the year. Prices for choice Omaha steers are estimated to average between $66 and $72 per cwt for 1988.

Several forecasting groups estimate that in 1989 retail food-price increases will range from 6 to 8 percent, well above any increase since 1982.

Poultry

As of July, the drought had had little effect on broiler prices because farmers had suffered no major chicken kills due to the heat. Strong consumer demand for chicken is expected to keep wholesale broiler prices up through the third quarter of 1988 at 58 cents per pound.

If the drought continues, pressure on feed costs could force some of the major chicken producers to lower their production quotas, reducing the supply and pushing chicken prices upward by the fourth quarter of 1988 or the first quarter of 1989. If the drought ends, wholesale broiler prices are likely to fall in line with USDA's July report, which forecasts a drop to 52 cents per pound in the fourth quarter.

Turkey

After a year of high production and stock accumulation, turkey production is expected to level off beginning in the second quarter of 1988. (First quarter turkey production, at 835 million pounds, was up a sharp 25 percent from a year earlier; and turkey stocks on April 1 were up 56 percent over their level on April 1, 1987.) Prices are expected to remain sluggish due to increased turkey supplies but could rise in the third and fourth quarters because of holiday demands. Overall, in July, USDA projected wholesale turkey prices to average 49 to 55 cents per pound for 1988.

Eggs

Egg prices should be up in the second half of 1988 because of seasonally heavier

The main brunt of the drought is not likely to be felt until next year.

demand for holiday baking and lower production than in 1987. Egg producers have also cut back on production this year because of falling profits and decreased consumer demand caused by health concerns. According to USDA, egg farmers in July had sustained losses in 11 out of the last 13 months. This decreased egg supply is likely to result in rising egg prices through the rest of the year.

Pork

The drought has thus far had a limited effect on pork prices, despite the prospect of higher feed costs. However, the price of barrows and gilts should experience a steady decline during 1988 as hog producers increase their slaughter rates in order to reduce a high fourth-quarter livestock inventory. Overall pork production for 1988 is estimated to exceed 1987's total output by 6 percent.

Milk

The USDA expects the drought to exert a progressively strong influence on milk prices during the latter half of 1988 and all of 1989. As feed prices increase, dairy farmers are expected to decrease their milk production. The USDA estimated in July that 15 to 20 cents of the projected 50 to 75 cent advance in wholesale fourth-quarter milk prices over the second quarter will be directly attributable to the drought. Should the dry weather continue, milk prices will go up even more in 1989.

For the second quarter of 1988, wholesale milk prices dropped 3 percent from the first quarter. This decline was attributed to a seasonal price adjustment as well as to a ripple effect created by the lowering of the federal milk-price support on January 1. Milk prices are expected to rise 5 to 7 percent from the second to the fourth quarter of 1988.

Estimated retail food price increases by various institutions, 1988 and 1989

Food prices are expected to rise between 6 and 8 percent in 1989

	1988	**1989**
Data Resources Inc.	3.8%	6.1%
Georgia State University	4.5	7.3
Wharton Economic Forecasting Associates	4.0	6.3
Drexel Burnham Lambert	5.0	7 to 8
Continental Illinois National Bank	4.0	6 to 7

Percent change in Producer Price Index for foods

For 1988, fats and oils and fish and shellfish are showing the largest price increases

	1985/86	**1986/87**	**1987/88***
All food index[1]	1.5%	2.2%	1.9%
Bakery products	2.4	1.5	5.3
Beef and veal	−2.4	8.4	4.3
Pork	12.2	5.0	−5.4
Poultry	5.8	11.4	−3.8
Eggs	4.0	−12.0	−18.8
Fish and shellfish	9.0	12.1	12.2
Sugar and sweets	1.6	4.5	2.1
Vegetables	−1.0	4.2	−0.8
Fruit and juices	−1.9	2.4	2.8
Beverages	12.8	−8.9	−1.7
Dairy products	−0.2	1.7	−1.0
Fats and oils	−16.7	0.6	13.0
Flour and cereal	−2.7	−0.2	9.2

[1] *Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables*

* *Year to date average through June*

Source: U.S. Department of Labor

Fruits and vegetables

Although the drought has had a strong regional effect on some fruit production, particularly in Michigan, overall fruit production has held up well nationally. A strong spring growing season has resulted in bumper crops of pears, peaches, plums and sweet cherries.

Overall, the strong fruit crop has forced a decline in fruit prices as measured by the Producer Price Index (PPI). The fresh-fruit PPI index for the first six months in 1988 has averaged 3.1 percent below that for the same period in 1987.

Prospects for reduced vegetable production in 1988 due to the drought have kept vegetable prices steady, despite excellent bean and potato harvests last fall. U.S. wholesale prices for all bean types averaged $18.20 per cwt in May, a sharp increase from the $13.10 per cwt reported for December. However, May's figure remained below that of a year ago, when bean prices stood at $19.00 per cwt. Potato prices have been inching upward since April, despite the largest May 1 stocks of fall potatoes on record. A factor driving prices may be expectations for a smaller crop in 1988. Usually, planted potato acres and production decline following a season with generally low prices, such as occurred in 1987.

—Sebastian O'Kelly

New industry operations study

A wealth of new financial and operating information is contained in the National Restaurant Association's *Restaurant Industry Operations Report—1988.* The study, which was conducted jointly by the association and the national accounting and consulting firm Laventhol and Horwath, is based on 1987 operations data from more than 1,500 restaurant operators.

Using this study, restaurateurs can compare their own operations data and statistics with those of companies having similar characteristics. The study contains specific information for each of the following types of restaurants:

☐ Full-menu tableservice

☐ Limited-menu tableservice

☐ Limited-menu, no tableservice (fast food)

☐ Cafeterias

Operating results are expressed as amounts per seat and as ratios to total seats, the most common bases used in the industry. The study details such information as sales (by food and beverage), cost of sales, gross profit, controllable expenses, occupation costs and restaurant profit.

Also provided are earnings ratios, seat turnover, average check size, cost per dollar of sales and an analysis of employment, including employees per seat, sales per employee and part-time versus full-time workers. These data are reported by specific operational characteristics, such as affiliation, menu theme and sales volume. The report includes amount-per-square-foot data covering sales, profits and occupational expenses. Some highlights of the 1988 report follow.

☐ **Full-menu tableservice.** In 1987 the median average check size for full-menu restaurants was $8.82—considerably higher than for the other types of establishments covered in this study. This reflects the higher-priced menus at these establishments, and the fact that many full-menu tableservice restaurants serve alcoholic beverages, which further increases check size.

More than half of the responding establishments had been in business for

The restaurant industry dollar, 1987*

	Full-menu tableservice	Limited-menu tableservice	Limited-menu no tableservice	Cafeteria
Where it came from				
Food sales	77.0	83.3	96.7	91.1
Beverage sales	19.6	15.2	1.3	4.1
Other income	3.4	1.5	2.0	4.8
Where it went				
Cost of food sold	27.7	28.3	33.9	34.0
Cost of beverage sold	5.4	3.9	0.6	1.4
Payroll	28.1	24.9	24.5	26.2
Employee benefits	3.1	1.8	1.4	2.6
Direct operating expenses	7.0	5.8	4.1	7.1
Music and entertainment	0.7	0.4	N**	0.3
Advertising and promotion	2.0	3.7	3.1	1.0
Utilities	2.9	3.3	3.1	3.4
Administrative and general	4.0	4.1	3.4	2.0
Repairs and maintenance	2.0	2.3	1.6	1.5
Rent	4.4	5.1	5.8	4.7
Property taxes	0.6	0.6	0.6	0.4
Other taxes	0.7	0.9	0.6	0.7
Property insurance	1.3	1.1	0.7	0.8
Interest	1.3	1.2	1.2	1.0
Depreciation	2.8	2.8	3.4	2.6
Other deductions	1.9	1.8	2.2	1.4
Net income before income taxes	4.1	8.0	9.8	8.9

All figures are weighted averages

*** N = Less than 0.1 percent*

Source: National Restaurant Association, *Restaurant Industry Operations Report—1988*

In 1987 the median check for full-menu restaurants was $8.82.

more than 10 years, and more than 65 percent were operating at a net profit. Median food sales were $3,808 per seat. Alcoholic beverages accounted for $886 per seat. Average daily seat turnover was 1.4.

☐ **Limited-menu tableservice.** The median average check among limited-menu tableservice respondents was $5.33 in 1987, with an average daily seat turnover of 2.0. More than 70 percent of the limited-menu tableservice respondents realized a net profit in 1987. Median food sales were $3,723 per seat, and alcoholic beverage sales represented $552 per seat.

Median restaurant profit was 9.2 percent of total sales, a higher ratio than the 4.6 percent reported among the full-menu tableservice respondents.

☐ **Limited-menu, no tableservice.** Limited-menu, no tableservice (fast food) survey participants reported an average daily seat turnover of 6.1 in 1987—the highest among the four restaurant categories covered by the study. Median restaurant profit was 6.8 percent of sales in 1987, with median food sales of $5,930 per seat. Less than 20 percent of limited-menu, no-tableservice restaurants that participated in the survey offered both food and alcoholic beverage service.

Median annual sales per full-time-equivalent employee in 1987 were $31,571.

☐ **Cafeterias.** Cafeteria survey participants had a median of 17 full-time employees and 18 part-time workers (less than 35 hours per week) in 1987. These establishments experienced an average daily seat turnover of 2.4, with median food sales of $2,782 per seat and alcoholic beverage sales of $356 per seat. Median restaurant profit was 4.0 percent of total sales in 1987.

—Hudson Riehle

How to order the report

A copy of *Restaurant Industry Operations Report—1988 (CS 958)* costs $30 for members and $60 for nonmembers. When ordering, please include payment plus a 10 percent shipping and handling fee and any applicable tax. Washington, DC, residents must add 6 percent. Illinois residents must add 7 percent, and Chicago residents must add an additional 1 percent, making their total tax 8 percent. No purchase orders, please.

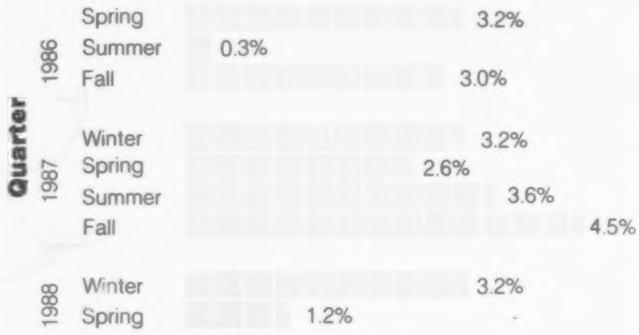
You can charge orders by including name of charge card, name of cardholder, card number, expiration date and signature. Credit-card telephone orders are also accepted. Call the National Restaurant Association at 1-800-424-5156 (toll-free) or (202) 331-5900. Checks or money orders should be sent to the National Restaurant Association, 1200 Seventeenth Street, N.W., Washington, DC 20036-3097.

CREST REPORT

March—April—May

Percent change* in quarterly traffic spring 1986-spring 1988

Customer traffic rose 1.2 percent during the spring quarter



** Percent change is over same period of the prior year*

Source: NPD CREST, *Household Report*, Spring 1986-Spring 1988

Total restaurant traffic advanced a modest 1.2 percent in the spring quarter of 1988, compared with the same quarter a year ago. This small gain follows a strong winter quarter in which customer traffic increased a robust 3.2 percent. Leading the industry were quickservice restaurants, which experienced a 2.6 percent traffic gain this spring. Traffic inched up 0.6 percent at upscale establishments and declined 2.6 percent at midscale operations.

The popularity of off-premises dining continues to drive customer traffic increases. Off-premises traffic at all restaurants rose 4.2 percent this spring; on-premises traffic decreased 1.3 percent. The upscale segment led the way, posting a 9.8 percent off-premises traffic gain. Quickservice and midscale restaurants saw their take-out customer counts rise 4.2 percent and 3.7 percent, respectively.

By meal part, breakfast underwent the strongest growth, with a traffic gain of 6.6 percent. This increase was primarily due to the introduction of new breakfast promotions by several of the major quickservice chains. Lunch and dinner saw limited traffic growth of 0.3 percent and 0.6 percent for the spring quarter.

For the second straight quarter there was a substantial increase in average check size. Average check size increased 3.7 percent this spring over its level in the spring of 1987. This increase follows a 3.9 percent gain in the winter quarter. In 1987 the average check size rose only 2.0 percent. The spring 1988 check gains were observed across all industry sectors and occurred despite the healthy increase in breakfast traffic, which would normally keep overall check advances down. Factors contributing to menu price increases were rising labor and food costs.

**CREST stands for Consumer Reports on Eating Share Trends, a diary survey conducted by one of the NPD marketing and research companies.*

Takeout—spearheading industry growth

A new CREST study commissioned by the National Restaurant Association examines the takeout market and the changes it underwent between 1982 and 1987. This article is the first in a four-part series.

The takeout market is showing no signs of slowing down, as consumers' desire for convenience continues to grow. According to a special National Restaurant Association CREST study, off-premises traffic at all restaurants advanced 28 percent between 1982 and 1987, compared to an increase of only 5 percent in on-premises traffic. Overall, takeout growth accounted for an astounding 77 percent of total restaurant traffic growth from 1982 to 1987. Correspondingly, the percentage of off-premises restaurant visits climbed from 39 percent in 1982 to 43 percent in 1987.

According to pollster Louis Harris, the average working American's amount of leisure time shrank from 26.2 hours a week in 1973 to 16.2 hours in 1987. With less leisure time, Americans are not only buying more takeout, but are also purchasing it more on weekends. Between 1982 and 1987, weekend off-premises restaurant traffic leaped almost 40 percent, eclipsing the 20 percent weekday gain. Overall, the weekend's share of the takeout traffic expanded from 41 percent in 1982 to 45 percent in 1987. Also, the average takeout occasion was more likely to happen on the weekend than the average on-premises restaurant meal. In 1987, 34 percent of total restaurant traffic occurred during the weekend, compared to 45 percent for total takeout traffic.

Quickservice dominates

Quickservice establishments continued to hold the lion's share of the takeout market, in terms of both traffic growth and traffic share. Nearly 9 out of 10 eater occasions in 1987 were at quickservice establishments.

Between 1982 and 1987, off-premises traffic gained 32 percent at quickservice establishments, surpassing the 18 percent rate for on-premises traffic. Overall quickservice traffic increased 26 percent during the period.

Certain restaurant concepts have seen larger off-premises traffic increases than others within the quickservice segment. Pizza remains one of the hottest growth concepts within the takeout market. Thanks in part to the advent of pizza delivery, off-premises traffic at quickservice pizza establishments more than doubled between 1982 and 1987. As a result, these restaurants have seen their share of takeout traffic grow from 12 percent to 20 percent.

Despite moderate growth (22 percent between 1982 and 1987) in the number of takeout orders, sandwich restaurants, which include hamburger chains, remained the takeout king. In 1987 one out of every three takeout eater occasions involved a purchase from these establishments.

Ethnic visits up

Takeout customers are also buying food from ethnic restaurants. The number of off-premises visits at quickservice Asian restaurants more than doubled between 1982 and 1987. Mexican quickservice restaurants saw their number of takeout eater occasions climb by 67 percent over the same period. Despite this rapid growth, ethnic restaurants are still small players in the takeout market; combined, Mexican and Asian restaurants accounted for only 4 percent of total takeout traffic in 1987.

Much attention has been given lately to the increased role played by retail establishments in foodservice, as these outlets, which include grocery and convenience stores, have actively pursued the takeout market. Traffic for food-to-go at retail establishments rose 43 percent between 1982 and 1987, with this group's share of takeout traffic reaching 7 percent in 1987. Over the five-year span, quickservice takeout traffic at convenience stores quadrupled, while at grocery stores it tripled.

Use of takeout by demographic groups, 1987

Singles enjoy takeout

Lifecycle category	**Index**[1]	**Percent of eater occasions**
Affluent singles	196	5%
Yuppies	160	7
Low/mid-income singles	138	9
Affluent traditional families	120	15
Working parents	113	11
Single parents	101	5
Affluent empty nesters	95	7
Low/mid-income traditional families	91	27
Low/mid-income empty nesters	81	10
Single, active elderly	56	2
Married, active elderly	44	2
Seniors 75 years old and older	36	1

[1] *Average use = 100*

Source: National Restaurant Association CREST Survey

Use of takeout by income group, 1987

Upper income households are heavier users of takeout

Household income	Index[1]	Percent of eater occasions
$40,000+	112	26%
$30-40,000	111	22
$20-30,000	100	24
$15-20,000	97	9
$10-15,000	87	11
Under $10,000	75	9

[1] *Average use = 100*

Source: National Restaurant Association CREST Survey

Traffic growth: 1982–1987

Quickservice is driving takeout advances

	Percent change–off-premises	Percent change–on-premises
All restaurants	28%	5%
• Quickservice restaurants	32	18
• Midscale restaurants	–5	–8
• Upscale restaurants	8	9

Source: National Restaurant Association CREST Survey

Takeout still modest at midscale and upscale

Despite popular acclaim, takeout still represents only a limited part of most midscale and upscale operations. In 1987 midscale and upscale restaurants accounted for just 9 percent of all takeout traffic. This percentage has remained stable since 1982. Most midscale and upscale patrons ate their meals on-site. In 1987, 86 percent and 94 percent of all midscale and upscale traffic went for on-premises dining.

Upscale and midscale operators have not experienced much growth in takeout traffic. Between 1982 and 1987, midscale restaurants have undergone a net decrease in off-premises traffic, although the decline has been less than that of on-premises traffic. In upscale restaurants, takeout traffic has gained 8 percent, just below the 9 percent rate for on-premises traffic. Recently, there has been some pickup in midscale and upscale customer takeout counts. From 1985 to 1987, the number of takeout visits rose 2.5 percent at midscale establishments and 9 percent at upscale restaurants.

Who eats takeout

Given its convenience-oriented appeal, takeout has drawn a following among those who place a premium on saving time. Groups that frequently purchase takeout food include young adults, singles, professionals and higher-income households.

☐ **Twenty-five to 49-year-olds.** According to the National Restaurant Association's CREST study, the majority of takeout eaters are between the ages of 25 and 49. Takeout traffic for 25 to 49-year-olds rose 29 percent between 1982 and 1987. In 1987 this age group accounted for 48 percent of all takeout eater occasions. Among all age groups, young adults (25 to 34-year-olds) showed the greatest affinity by far for takeout food in 1987, followed by 35 to 49-year-olds. Eighteen to 24-year-olds have also shown above-average usage.

☐ **Children.** Children are eating more takeout food. Takeout traffic for the under-18 age group advanced 38 percent between 1982 and 1987. In 1987 children under the age of 18 accounted for almost one out of every four off-premises eater occasions. Among all children's age groups in 1987, toddlers (under 6 years) showed the highest incidence of takeout use, followed closely by small children (6-12 years) and young teens (13-17 years).

Older individuals have been slower to catch the takeout wave. In 1987 seniors over the age of 65 contributed to only 5 percent of total off-premises traffic. Senior citizens showed the lowest incidence of takeout usage among all age groups. However, takeout is beginning to play a greater role in seniors' eating-out occasions. Since 1982, the number of takeout eater occasions for those over 65 years of age has gained 30 percent.

☐ **Higher-income households.** Higher-income groups tend to favor takeout. In 1987 households with incomes in excess of $30,000 accounted for more than 47 percent of all takeout eater occasions. Lower-income households were not as likely to purchase takeout. Only 20 percent of takeout visits were made by households earning less than $15,000 a year in 1987.

Among all age groups, the most frequent takeout buyers were households with incomes in excess of $40,000, trailed by households with incomes between $30,000 and $40,000.

☐ **College-educated individuals.** Given its popularity with higher-income groups, it is not surprising to note that the average takeout buyer is likely to be a professional and college-educated. White-collar employees and the college-educated accounted for 49 percent and 61 percent, respectively, of all takeout traffic in 1987.

☐ **Smaller-size households.** Smaller-size households are also prevalent takeout users. In 1987 single-person households were the most frequent eaters of takeout food. Both two-person and three-to-four-person households showed average preference for takeout, while five-or-more-person households revealed a below-average interest in off-premises dining. Overall, three-to-four-person households accounted for the most (44 percent) off-premises traffic among all household sizes in 1987.

Among lifestyle groups in 1987, affluent singles and yuppies were by far the most prevalent takeout buyers. Low to mid-income singles, affluent traditional families and working parents also reported above-average use of food to go. Single parents and affluent empty-nesters showed about average interest in takeout food, while low to mid-income families, low to mid-income empty-nesters and elderly groups showed the lowest preference for takeout among all lifestyle groups.

In sum

The takeout market continues to grow rapidly, particularly within the quickservice segment. In fact, most of the restaurant industry growth in the last five years can be attributed to the increased popularity of takeout. *—Sebastian O'Kelly*

Introducing Foodservice Market Measure

This month **Restaurants USA** *introduces the "Foodservice Market Measure," a monthly consumer survey conducted in cooperation with the Gallup organization, that tracks purchases of meals and snacks at foodservice outlets to be eaten on and off premises. The Market Measure succeeds Gallup's Monthly Monitor of Eating Away from Home. This first survey reflects data collected in June 1988.*

Percent of adults patronizing foodservice establishments by meal period, June 1988

More than one in five adults purchased lunch or dinner at a foodservice establishment

	Percent of all adults
Breakfast	5%
Lunch	22
Dinner	23
Snack	4

The Foodservice Market Measure is based on 1,000 telephone interviews, conducted by the Gallup Organization each month, with a nationally representative sample of adults age 18 and older. Each person is asked the same questions:

1. Which of the following did you do yesterday?

☐ Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack, or

☐ Purchased takeout food "to go" or had it delivered.

2. Was the food you ate on premises yesterday for breakfast, lunch, dinner or a snack?

3. Was the takeout food you purchased or had delivered for breakfast, lunch, dinner or a snack?

The monthly tracking of purchases is supplemented with quarterly inquiries on topics of industry interest, such as smoking versus no-smoking sections, tipping versus service charges or nutrition concerns.

Foodservice Market Measure, June 1988

85 million adults patronized foodservice outlets

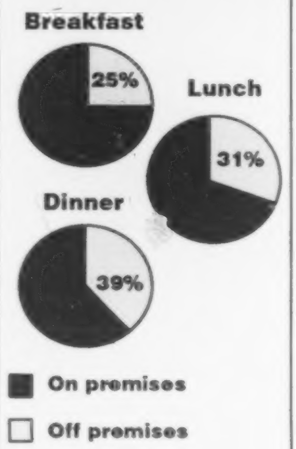
Which did you do yesterday?	Percent of all adults*	Estimated number
Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack	32%	58 million
Purchased takeout food "to go" or had it delivered	18	33 million
Both of the above	3	5 million
Net foodservice patrons	47	85 million
Neither	53	97 million

*Age 18 and older

	Of adults who ate on premises		Of adults who ordered takeout/ delivery	
	Percent who ate each meal*	Estimated number	Percent who ate each meal*	Estimated number
Breakfast	13%	7 million	8%	2 million
Lunch/Breakfast	49	28 million	39	12 million
Dinner	45	26 million	51	16 million
Snack	8	4 million	6	2 million

*Total exceeds 100 percent because some adults patronize foodservice establishment outlets on more than one occasion in a typical day

Percent of adults who patronize foodservice, on premises versus off premises, by meal period, June 1988



85 million patrons

Nearly half of all adults—a total of more than 85 million individuals—patronized a foodservice outlet on a typical day in June 1988. Approximately one in three adults ate on the premises and nearly one in five purchased takeout food to go or for delivery.

When those who ate on the premises are combined with those who ate off premises and an allowance is made for the more than 5 million adults who did both, the result is a net 47 percent of the adult population who patronized a foodservice outlet.

On-premises versus off-premises patronage

Nearly half of those who ate on the premises on a typical day in June did so for lunch, and a similar proportion did so for dinner. In comparison, takeout/delivery customers have a greater tendency to purchase dinner.

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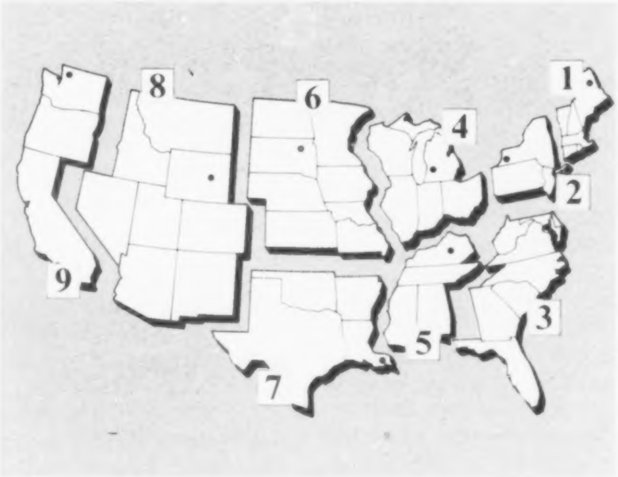

1 NEW ENGLAND

Location: Caribou, ME
Association members: Joseph Hackett, Suzanne Hackett
Operation: Yusef's
Profile: Restaurant, nightclub, catering, butcher shop
In business: 14 years
Seats: 350 plus 200 at bar
Meals served: Lunch, dinner

"Business is good, but there's been no growth," says **Joseph Hackett,** who owns Yusef's with his sister Suzanne. He attributes the no-growth situation to Caribou's declining population and Maine's tough drunk-driving laws which have sharply reduced the restaurant's liquor sales. To improve his business, Hackett has opened a butcher shop. After three weeks in operation, it already accounts for 11½ percent of sales. The shop sells fresh fish from Maine's coast and meat cut to order, as well as cinnamon rolls and freshly baked bread. The restaurant also ships lobsters, specially decorated cakes and custom-cut meats to customers all over the country.

Yusef is Hackett's Lebanese name, but he says there is no call for Middle Eastern food in the town of 10,000 at the northern tip of Maine.

2 MID-ATLANTIC

Location: Buffalo, NY
Association member: Donald J. Leone
Operation: J.T. Bullfeathers, The Wine Cellar
Profile: Fullservice restaurant and wine cellar
In business: 17 years
Seats: 250, 25 on patio
Meals served: Breakfast, lunch, dinner

Lunch business is good at Bullfeathers in Buffalo, New York, says manager **Kathie Hunter,** but dinner business is always down in the summer because people prefer to stay in the suburbs or are on their boats.

As its name suggests, Bullfeathers, The Wine Cellar, specializes in wines, offering them by the glass or bottle. The restaurant trains its employees in suggestive selling and holds bimonthly employee wine tastings and seminars on how to open and present a wine bottle. Food is important, too, and the menu proves it with more than 100 items—from veal dishes to a cheese fondue to fresh seafood flown in from Alaska.

Although the restaurant's primary customers are 25 to 45-year-olds, more and more families are coming to the restaurant.

3 SOUTH ATLANTIC

Location: Washington, DC
Association members: Nechi and Christopher Chidueme
Operation: Bamboo End Restaurant
Profile: Restaurant serving African food
In business: 1¾ years
Seats: 30
Meals served: Lunch, dinner

When Nigerians **Nechi and Christopher Chidueme** were college students in Washington, DC, they missed their native food. Now they own the Bamboo End Restaurant in the northwest part of Washington, near Howard University, where their cooks prepare West African dishes, such as the restaurant's specialty, *fufu*, a dish with the consistency of grits made from cassava, a yam-like plant. It is usually served with soup. The restaurant's best customers are Africans studying or working in the city or Americans who have come to know African foods through travel or work.

Because the imported ingredients are expensive and because the prices are low to accommodate the area's students, the Bamboo End's profit margin is small. "We're just trying to survive," says Chidueme. "We have a few customers who keep us in business."

4 EAST NORTH CENTRAL

Location: Stevensville, MI
Association members: Pete and Nancy Racine
Operation: Grande Mere Inn
Profile: Midscale, fullservice restaurant
In business: 8 years
Seats: 100 in dining room, 25 in bar
Meals served: Lunch Tuesday through Friday, dinner Tuesday through Saturday

Grand Mere overlooks Lake Michigan and draws its customers from surrounding towns, from South Bend, Indiana—30 miles away—and even from Chicago, 90 miles away. Its specialties are fresh fish from the Great Lakes, live lobsters from Maine, barbecued ribs, American lamb and roast duckling. **Pete Racine,** who owns Grand Mere with his chef wife Nancy, shops the local farmers' markets for fillings for the pies baked on premises. A raw bar on Friday nights sells oysters, mussels and shrimp cocktails.

Sales have grown steadily and are up 13 percent from last year, says Racine, who has been in the restaurant business for 28 years (since he was 14 years old). The area's economy has been improving—a Whirlpool plant is nearby and three years ago Kitchen Aid opened a home office six miles away.

5 EAST SOUTH CENTRAL

Location: Lexington, KY
Association members: Kilburn Cormney, Jim Parsons, Tony Lovello
Operation: The Campbell House
Profile: Midscale restaurant in hotel
In business: 37 years
Seats: 157
Meals served: Breakfast, lunch, dinner

The Campbell House is a privately owned restaurant and hotel in the heart of Kentucky's Bluegrass region. General manager **Tony Lovello** says there are few times when some special event is not going on in Lexington, whether it is the races at Keeneland Race Track, the thoroughbred sales, the tobacco auctions, a Junior League horse show, or a football or basketball game at the University of Kentucky one quarter-mile away. In addition, a Toyota plant has just opened, bringing more businesspeople to town than ever before.

"Business is up 12 percent from last year," says Lovello. He credits some of the success to the personal service the staff gives its guests, but he feels fortunate to be affiliated with a hotel. "If one part loses, the other gains," he says.

The Lexington landmark reflects its Southern locale by serving such regional specialties as spoon bread and *Hot Browns*, an open-face sandwich consisting of turkey and a cheese sauce, layered on toast, baked, and then topped with slices of tomato and strips of bacon. A weekly family night, with a choice of four entrees for $4.95, is doing so well Lovello is thinking of making it a permanent feature.

6 WEST NORTH CENTRAL

Location: Aberdeen, SD
Association members: David Judd, Don Artz
Operation: Mother's Inc
Profile: Midscale family restaurant
In business: 7 years
Seats: 150, 40 on patio
Meals served: Breakfast, lunch, dinner

Aberdeen is in north central South Dakota, an agricultural area that has been hard hit by the summer's drought. The weather is the reason business at Mother's is down 5 to 7 percent, according to general manager **David Judd.** But he expects his banquet business to bring things up to normal. "At least we're still open," he says. "Other restaurants have closed."

Lunchtime is the busiest time at Mother's. One of the most popular items is a colorfully named sandwich, the *Molly Brown*—ham, turkey and cheese rolled in pumpernickel bread, dipped in a special sauce and deep fried. Hot pies are baked on premises using fruits in season, but a sourcream raisin pie is available all year round.

A patio, open from Easter through October, is shaded by a grape arbor whose fruit is made into wine by a local winemaker. The restaurant doesn't sell the wine—there's not enough—but it sometimes passes out samples.

7 WEST SOUTH CENTRAL

Location: New Orleans, LA
Association member: Joseph Frady
Operation: Frady's Food Store and Restaurant
Profile: Small family-owned grocery store with takeout
In business: 18 years
Seats: None, takeout only
Meals served: Breakfast, lunch, dinner

"Business is not bad, about the same as last year," says **Joseph Frady,** owner of Frady's Food Store and Restaurant, a grocery store and carryout combined."But it's the restaurant that keeps us in business."

Located on the outskirts of New Orleans' French Quarter, Frady's doesn't see many tourists. Its customers are people who live and work in the area or people who work on the Mississippi River. They come for the New Orleans-style food—red beans and rice; smoked, spicy sausage; softshell crabs; or the favorite, *jambalaya*, a Cajun-Creole creation of rice, onions, bell peppers, garlic, special seasonings and shrimp, ham, sausage or other meat or fish. Frady sells a French bread to go with his entrees. "They keep coming back," he says. "I guess that means the food is good."

8 MOUNTAIN

Location: Big Timber, MT
Association members: Gerald and Ida Mae Dempster
Operation: JD's
Profile: Restaurant specializing in homemade pizza
In business: 6 years
Seats: 96
Meals served: Lunch, dinner

"Business is good, about the same as last year," says **Ida Mae Dempster,** owner of JD's, located in Big Timber at the base of the Crazies Mountains and the Boulder Mountain Range, 96 miles east of Billings. But Dempster thinks the high costs of liquor licenses, insurance, taxes and workers' compensation in Montana keep it from being better.

Nonetheless, business is always booming during the three-day Yellowstone River Boat Float, an annual event when rafters float down the river by day and camp on the riverbanks at night. JD's caters lunch to the rafters upriver on the first day and then, when they arrive at Big Timber, serves them dinner one day and breakfast the next.

Housed in an old stone building built in 1897, JD's is on the town's Main Street. Pizza is the specialty.

9 PACIFIC

Location: Bellingham, WA
Association members: Jim and John Sands
Operation: Boss Tweed
Profile: Soups, sandwiches, salads
In business: 4 years
Seats: 99
Meals served: Breakfast, lunch, dinner

Located in the Old Town section of Bellingham, 80 miles north of Seattle and 20 miles from the Canadian border, Boss Tweed has increased business by 15 percent this year, says co-owner **Jim Sands.** The economy of the town is strong, thanks to diversification after many years of depending on the fishing and lumbering industries.

Customers of Boss Tweed step up to a counter to order sandwiches, soups or salads. When their names are called, they pick up their food and carry it to the condiment bar, where they choose toppings, such as sour cream, chiles, guacamole, and special sauces, as well as the conventional catsup and mustard. In contrast, breakfast is a fullservice meal, drawing big crowds on the weekend.

Ceiling fans and mirrors evoke the turn-of-the-century era of the restaurant's namesake, a colorful New York City politician, but lots of neon beer signs add a touch of today.

—*Julie Fintel*

Public criticism is a no-no

Managers and supervisors who criticize their subordinates in front of other employees are violating the cardinal rule of business manners, according to a survey of some of America's top management executives and personnel directors. Surprisingly, arriving late for appointments ranked near the bottom of the list of infractions.

Executives from more than 100 of the nation's largest corporations were asked, "What do you consider to be the biggest breach of business etiquette?" Forty-five percent cited "criticizing a subordinate in front of others"; 28 percent said, "not giving others a chance to express themselves"; and 15 percent chose "off-color jokes or inappropriate attempts at humor." Six percent ranked "being late for appointments" as the number-one breach of conduct.

--Robert Half International

Helping disabled students "reach for the stars"

Through a $10,000 donation and a promise to raise nearly $50,000 more, Dan Trierweiler, a west Michigan restaurateur, is helping local students achieve their dreams. According to Trierweiler, owner of 23 Burger Kings, the funds will help 20 students become the first "pilots" of a special-needs camp at NASA's Space and Rocket Center in Huntsville, Alabama.

After undergoing Space Camp educational preparation during the next school year, the students will travel to the Space and Rocket Center to inaugurate the program. Space Camp replicates the training astronauts receive prior to space missions, including entering zero gravity chambers and experiencing "weightlessness."

"This is an exciting program, and we're glad to support special-needs Space Camp any way we can," says Trierweiler. "We're a part of a program which will help special education students all over the country reach for the stars."

The Burger King Space Camp promotion is an offshoot of the Burger King HireAble program, a project designed to recruit, train and integrate learning, physically and emotionally disabled persons into crew positions.

—Burger King Executive Office

Ground Round sponsors "New Olympic Sport"

The Ground Round, Inc., recently announced its sponsorship of the United States Table Tennis Team to compete in the 1988 Summer Olympics. Table tennis, which trails only soccer in terms of world sports popularity, will make its debut in Seoul, South Korea, as a full medal event with men's singles, women's singles, men's doubles and women's doubles competition.

Ground Round's major sponsorship of the national team, which began on July 1, will extend for one year following the Summer Olympics. According to Fritz von Ulmer, the chain's vice president of marketing, "Ground Round is known as a fun, family-oriented place, and this new sponsorship will enhance that spirit." Beginning September 6, Ground Round restaurants also will offer the official United States Table Tennis Association pin for $1.50, with proceeds going to support the U.S. team.

—The Ground Round, Inc.

Magic coffee preserver

Tired of throwing away the last few bitter, stale cups of coffee in your coffeepot? Flavor Savor, Inc., a Colorado Springs, Colorado-based company, claims to have a new device that keeps coffee fresh-tasting for up to nine hours. Java Jeanie, a copper disc with "flavor dimples" that fit directly on coffee-maker hot plates, is being tested by several airlines and restaurants and is also being marketed by several mail-order companies.

According to Dave Box, inventor of Java Jeanie and president of Flavor Savor, the device's convection action evenly disperses and controls the hot plate's flavor-destroying heat patterns. Unlike other products that have attempted to solve flavor deterioration by inserting disclike tops directly on top of the coffee liquid, Java Jeanie rests between the coffee maker hot plate and the coffee pot.

Java Jeanie retails for $7.95 and carries a full guarantee.

—Flavor Savor, Inc.

Mail order heat

For those who just can't get enough of the hot stuff, two Albuquerque, New Mexico, residents have joined forces to form the Old Southwest Trading Company. The mail-order catalog company specializes in New Mexican and Mexican chile products, but will also offer Southwestern cooking supplies, such as tamale, posale, chile pasta and blue corn.

The chiles offered by Old Southwest will include exotic, hard-to-find varieties such as chipolte, guajillo, ancho, arbol, mirasol, cascabel, pasilla and chilteopin.

—Old Southwest Trading Company

Hot Off the Press

New Association Publications

Wages and Benefits for Salaried Employees and Executives in the Foodservice Industry

Base salary, bonuses, perquisites, profit sharing and other benefits are detailed for 23 positions in the foodservice industry. Tabular information, structured similarly for all positions, breaks down data by type of restaurant, organization and ownership as well as scope of operation and sales volume.
CS155, soft-cover book, 1988, $25.00 members, $50.00 non-members

Promoting the Neighborhood Restaurant: A Local Store Marketing Manual

This manual will assist you in developing a marketing program to promote your operation to both new and current customers. Includes forms, plans and timetables for off-premises promotions, cross promotions, community involvement and instore marketing.
CS600, 103 pgs., soft-cover book, 1988, $15.00 members, $30.00 non-members

Restaurant Industry Operations Report '88

This is a 1988 state-of-the-industry look at financial operating data of full and limited-menu tableservice restaurants, fast food operations and cafeterias. Operations are profiled by restaurant type, location, organizational structure, sales volume, years in business and region.
CS958, 80 pgs., soft-cover book, 1988, $30.00 members, $60.00 non-members

The AIDS Issue

A packet of two videotapes

The AIDS Issue consists of two videotapes each 18 minutes in length. The first tape, entitled "The AIDS Issue," prepares management to handle the problems that might arise if an employee contracts AIDS or is rumored to have been infected by the disease. The second tape, "AIDS: What You Need to Know" is addressed to employees and tells them how AIDS is contracted. It makes it clear that the foodservice workplace is safe in this regard, but warns employees how to protect their health during non-woking hours.

These tapes are a must for establishments in which fear of AIDS is evident.
MG900, 2 videotapes, 18 minutes each, VCR or Beta, 1988, $29.95 (price includes both tapes)

Basic Facts About AIDS For Foodservice Employees

This concise pamphlet explains how the AIDS virus is transmited. It explains that AIDS is not a foodborne disease; nor is it spread through casual contact. Therefore, there is no danger in eating or working in a foodservice establishment. Designed to calm unnecessary fears, the pamphlet also tells staff how to avoid AIDS during non-working hours.
PB010, 8 pgs., pamphlet, 1987, $1.00

"Right to Know"—A Foodservice Operators's Guide to the OSHA Hazard Communication Standard Program

As of May 1988, the OSHA Hazard Communication Standard requires all employers to notify their employees of any hazardous chemicals in the workplace. Some possible restaurant applications include soaps, sanitizers and degreasers. This booklet gives operators guidelines on how to develop a program to comply with the new OSHA standard, and some parallel EPA requirements as well.
PB100, 21 pgs., booklet, 1988, $6.00 members, $9.00 non-members

Foodservice and Energy to the Year 2000

This report compiles forecasts from the U.S. Department of Energy and other sources to predict the supply and pricing futures for oil, gas, electricity, coal and other energy sources. The report suggests that although energy will remain available, rising imports and flagging domestic production will eventually drive prices higher.
PB150, 35 pgs., booklet, 1988, $4.00 members, $6.00 non-members

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Increasing Sales: Effective Front-of-the-House Management

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Food Production Courses

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10/17	Burlingame, CA
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12/8	Chicago, IL

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11/2-3	Jacksonville, FL

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12/12	Charlotte, NC

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11/1-2	San Francisco, CA

Profitability

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10/20	Milwaukee, WI
11/16	Austin, TX
11/17	Dallas, TX
11/29	Charlotte, NC

Server Sales Training

10/26	Detroit, MI

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12/5-6	Seattle, WA

Wine Service Training

10/21	Atlanta, GA
11/1	Newport, RI
12/1	Detroit, MI

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RESTAURANTS USA

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PRESIDENT'S REPORT

Jim L. Peterson, President and Chief Executive Officer
Whataburger, Inc., Corpus Christi, TX

After months of hard work and intense lobbying, the association emerged with at least a temporary victory when Senate Majority Leader Robert Byrd announced that the Senate was setting aside the bill to raise the minimum wage.

Minimum-wage hike blocked

When the announcement was made on September 26, more than 300 restaurateurs were in Washington, poised to visit their senators and representatives to discuss the importance of halting the minimum wage and other labor bills. Quipped the bill's sponsor, Senator Ted Kennedy, to a Massachusetts delegation of restaurateurs: "We knew you were coming, so we pulled the bill."

Congressional leaders gave in to the association and other organizations opposing the minimum-wage hike after months of pressure, which included more than 102,000 messages to Congress generated by the association. In addition, more than 600 editorials opposing the minimum-wage increase had been generated by the association. Our lobbyists had spent weeks on Capitol Hill explaining our point of view to members of Congress; and since April's "Washington Rally," more than 500 meetings had been conducted between restaurateurs and their representatives and senators.

Other labor bills on congressional agenda

The withdrawal of the minimum-wage bill was especially important because it was the first of several bills on Congress's labor agenda. We have shown Congress that business will not willingly accept mandated wage or benefit levels. But this setback for labor does not mean we can let down our guard. We will continue to monitor mandated health and parental-leave proposals and it's likely that the minimum-wage fight will have to be resumed when Congress reconvenes next year.

325 members come to Public Affairs Conference

The Senate set aside the minimum-wage bill just as 325 association members assembled for our annual Public Affairs Conference in Washington. Conference attendees were also treated to informative speakers, such as Senators Tom Harkin of Iowa and David Boren of Oklahoma. The association staff had set up meetings between conference attendees and their respective congressional offices, giving us a chance to voice our opinions directly to the nation's lawmakers.

And, as usual, the "Chef d'Oeuvre" reception was extremely popular, giving restaurant operators a chance to meet members of Congress informally in an elegant setting with fine food. Both as an educational event and as a show of the association's political strength, the Public Affairs Conference was a huge success.

Business marketing meal deduction focus of fall Board meeting

The fall Board meeting was also held in late September. A major subject of discussion was the launching of a program to show Congress that the reduction in deductibility of the business marketing meal was extremely harmful to our industry and that any further reduction would be disastrous.

Although the Bradley Amendment, which would have eliminated the deduction altogether for high-income individuals, was set aside by a conference committee, the business marketing meal remains vulnerable. I have appointed a task force to collect data and develop effective means of communicating our position on the business-meal deduction to Congress in preparation for further hostile initiatives.

AIDS video can help you

It is our responsibility as restaurant operators to educate our employees about the facts and issues surrounding AIDS. The association's two-part video series *The AIDS Issue* can help you. Available from the association at a nominal cost, the tapes can help head off AIDS-related problems in the workplace.

Foodservice careers symposium in January

In the association's continuing effort to seek sources of high-quality labor for the future, a landmark event will be held in Washington on January 10, 1989. On that day, the association will host the Symposium on Career Opportunities in Foodservice.

The conference will be attended by both foodservice operators and individuals representing the demographic groups most likely to supply future employees—organizations like The Hispanic Policy Development Project, The National Urban League and the National Council on Aging. Each group will have an opportunity to share positive experiences regarding employment in foodservice and also to discuss its problems and needs. We will also examine model programs developed by the industry to attract and accommodate employees.

The objectives of the conference are to learn about the needs of the demographic sectors we most frequently target in our recruitment programs, to inform them about some of the benefits our industry can offer and to make contact with organizations representing them. Plan to attend this important symposium.

No more CFCs by year's end

Environmental issues have received much attention in 1988, especially the issues of solid-waste disposal and the depletion of the earth's ozone layer. Approximately one-third of all foam foodservice packaging has traditionally contained fully halogenated chlorofluorocarbons, or CFCs, which are believed to be partially responsible for the ozone layer's depletion.

In response to those concerns, the foodservice packaging industry has voluntarily initiated a program to eliminate CFCs from the manufacturing process by December 31, 1988. Although foodservice packaging accounts for only a tiny fraction of CFCs used, the association applauds our allied industries' effort to be environmentally responsible.

U.S. Culinary Team competes in "olympics" this month

The U.S. Culinary Team is participating in the 17th International Culinary Competition in Frankfurt, West Germany, from October 16 to October 20. Some of America's finest chefs will be participating in these "culinary olympics," thereby promoting the excitement and the sophistication of American cuisine. Our association is proud to have established the U.S. Culinary Team Foundation, which funds the team's activities, in conjunction with the American Culinary Federation. We wish our chefs well.

We welcome the 126 new members who joined the association in September. Your participation in the association will further strengthen our efforts.

Sincerely,

Jim L. Peterson

Jim L. Peterson
President and Chairman of the Board

RESTAURANTS USA

COVER STORY: SPORTS BAR RESTAURANTS: AWARD-WINNING CONCEPT

9 Sports bar restaurants are winning fans with their casual, fun-filled atmosphere and innovative promotional events.

SPECIALS

YOUR FRIENDS
AND FAMILY
PROMISED US
THEY'D TAKE
YOU OUT TO
DINNER ON YOUR
BIRTHDAY
IF WE'D AGREE
TO PITCH IN.

16 Promotions—It's the philosophy that counts
The real marketing challenge is not simply to come up with new and different promotional events, but to develop promotions that build a consistent image for an operation. Here's a look at how three different operations are building business. The sidebar on "prefab" promotions has ideas for even the smallest marketing budgets.

20 Restaurant postcards—Send your message with their message
Restaurant postcards are a versatile, inexpensive and successful marketing tool. Find out how easy it is to create a postcard for your restaurant.

24 Marketing across time
This picture essay of restaurant postcards from years gone by proves that the marketing message of postcards is timeless.

26 Moving down the highway
In the quest for the perfect location at the right price, restaurant owners are looking outside city limits to the suburbs—and finding a new clientele.

28 Is it worth doing the laundry yourself?
To reduce astronomical laundry fees, some restaurants have set up their own laundry operations and are "cleaning up."

31 To market, to market with off-premises catering
Breaking into the corporate catering field requires an aggressive marketing campaign. Staying in it requires excellent service and a high-quality product. Don't miss the sidebar on the importance of following up with clients.

34 Yellow Pages—A call to customers
Advertising your restaurant in the Yellow Pages is a sure way to get your name out to customers. This article explains how to design the most effective Yellow Pages ad for your operation.

36 Viewpoint
We've turned a legislative corner in 1988, says Bob Rosenberg, chairman of the association's government relations committee.

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Cover photo by Gary Landsman

DEPARTMENTS

6 Short Orders
- ☐ SOS calendar sales to feed the hungry
- ☐ Innovative employee-treatment program wins award
- ☐ St. Louis honors its hospitality industry
- ☐ A special design for a special camp
- ☐ Italian "bowl and roll"
- ☐ "Siskel-and-Ebert" restaurant reviews
- ☐ New address for educational foundation

8 Washington Report
- ☐ DC Roundup
- ☐ Minimum-wage legislation may be dead for 1988
- ☐ Senate moves on to parental leave bill
- ☐ Business-meal deductibility untouched
- ☐ Employers must notify some workers of eligibility for tax refund

37 Boardroom
- ☐ 1988 U.S. Team goes for the gold at culinary "olympics"

38 Fisher's Law
- ☐ The outerview

39 Foodservice Trends
- ☐ Lunch takeout grows
- ☐ Foodservice in the year 2000
- ☐ Fish orders are tailing off

44 Foodservice Market Measure
- ☐ July 1988

45 How's Business
- ☐ Operators discuss regional business trends

47 Food for Thought
- ☐ Reading, writing and ravioli
- ☐ Royal ghost?
- ☐ Seeking the postcard record
- ☐ Museum dining with "the right stuff"
- ☐ Goodbye to mom and pop?
- ☐ A new type of doggy bag

SHORTORDERS

Italian "bowl and roll"

Panezuppa, which means bread and soup in Italian, is a new restaurant in Chicago offering just that—innovative Italian soups and sandwiches to eat in or carry out. Panezuppa's specialties include *Pasta e Fagioli*, an interpretation of Italy's traditional meat, vegetable and bean soup, and *Muffallatta*, a round pillow of bread filled with a combination of chopped olives, salami and provolone.

Larger-than-life-size renderings of Italian wine bottles create an unusual "fresco" that is the focal point of the restaurant's decor.

Partners Nancy Barocci (left) and Colleen Houlahan stand in front of larger-than-life-size renderings of Italian wine bottles that decorate their new restaurant in Chicago.

A special design for a special camp

Romano/Gatland, one of the nation's largest foodservice planning and design firms, donated its time to designing the kitchen and dining spaces for the Hole in the Wall Gang Camp, a special camp for children with cancer and serious blood diseases. The firm kept in mind the camp's western theme, inspired by the movie "Butch Cassidy and the Sundance Kid," which starred its founder, Paul Newman. The spacious dining hall resembles a saloon with wooden walls, mismatched chairs and mounted buffalo heads. The kitchen, though, is a complete departure from the old-time theme, with its sparklingly new, ultra-modern equipment.

The western theme of The Hole in the Wall Gang Camp offers chronically ill children a chance to experience an entertaining and different environment at no cost to their families.

The dining room of the Hole in the Wall Gang Camp, which resembles an old-time western saloon, couldn't be more of a contrast to the modern state-of-the-art kitchen.

Innovative employee treatment program wins award

Pennsylvania Restaurant Association President Nicholas A. Rillo and Joseph Rillo, co-owners of Casa Rillo, an Italian restaurant in Camp Hill, Pennsylvania, received the *Restaurant Management* magazine award for "Innovators of the Year" in the employee relations category. The brothers were recognized for the employee assistance program that they set up two years ago to help employees deal with personal problems, including chemical dependency. The program encourages employees to take advantage of counseling services set up through a local mental health agency. The Rillos pay for the first session, and the employee pays for subsequent visits, depending on financial ability. Participation is confidential. Since the program's inception, 20 employees have used the program with positive results.

Nicholas A. Rillo

SOS calendar sales to feed the hungry

Twelve of the nation's most celebrated chefs have collaborated to produce "Great Chefs of America," a 1989 calendar to benefit Share Our Strength, a national network of restaurants committed to fighting hunger. The calendar features recipes and lavish photographs of specialties, including Wolfgang Puck's *Raspberry Terrine*, Leslee Reis' *Smoked Vegetables with Pesto Aioli* and Jonathan Waxman's *Mesquite Grilled Pork Chop with Pomegranates and Pears*.

Everyone involved with the production of "Great Chefs of America" donated his or her time and efforts.

GREAT CHEFS OF AMERICA

Proceeds from the calendar will benefit food banks and homeless shelters in the United States, as well as international hunger-relief and development agencies. The price of the calendar is $8.95 plus $2.55 for postage and handling. For more information about the calendar, call or write to SOS, 733 Fifteenth St., N.W., Suite 700, Washington, DC, 20005; (202) 393-2925 or 1-800-222-1767.

"Siskel-and-Ebert" restaurant reviews

Joseph Rosendo and Edward Engoron, co-hosts of "Food and Wine Hotline," a regular feature of the weekly travel show "Travelscope" on KIEV radio in West Los Angeles, have a special style of rating restaurants for their listeners. In fact, Rosendo and Engoren might become known as the "Siskel and Ebert" of restaurant rating for their frank and sometimes heated discussions about restaurants, following the style of the famous movie critics.

The hotline is designed to give listeners personal tips on how to have the best dining experience possible when traveling near or far. Engoren, a 20-year veteran of the restaurant industry, and Rosendo, host of the radio program, are often split in their decisions whether to give a restaurant a "thumbs up" or "thumbs down." Listeners are invited to call in and give their opinions as well.

Joseph Rosendo and Edward Engoron, co-hosts of the "Food and Wine Hotline" radio show in California, give listeners a "Siskel-and-Ebert" style look at restaurants.

St. Louis honors its hospitality industry

John Psara, maitre d' of the Tenderloin Room at the Chase Hotel was named Hospitality Person of the Year by the St. Louis Hospitality Industry Council in St. Louis, Missouri. Awards in several hospitality categories, including Concierge of the Year, Restaurant of the Year, Hotel/Motel of the Year and Marketing Organization of the Year, were given out for the first time this past spring to honor hospitality professionals who help make visitors to St. Louis feel welcome. The event is considered unique in that it combines awards for different hospitality groups.

New address for association's educational foundation

The Educational Foundation of the National Restaurant Association is relocating to Chicago. Effective November 1, the new address is: The Educational Foundation of the National Restaurant Association, 250 South Wacker Drive, Chicago, IL, 60606. Phone: (312) 782-1703.

Please note that this is not the same address as the Chicago National Restaurant Association office.

WASHINGTON REPORT

Minimum-wage legislation may be dead for 1988

Democrats in the Senate, after twice failing to round up the 60 votes they needed to end debate and force a quick vote on the minimum wage, put the legislation aside late last month. As this ***Restaurants USA*** went to press, many senators predicted that the Senate would not take any vote this year on whether to raise the minimum wage.

The action came after hours of debate on the bill that began in mid-September and quickly developed into partisan gridlock on such issues as whether to establish a lower 90-day training wage for new hires, an amendment introduced by Sen. Orrin Hatch (R-UT).

Although it is thought unlikely that the bill will come up for a vote in the Senate or House this year, National Restaurant Association government affairs experts urged restaurateurs to keep up the pressure on Congress on the issue until legislators adjourn for the year, probably in early to mid-October.

Restaurateurs have been a significant force over the past two years in the fight against any increase in the minimum wage. Besides sending more than 102,000 mailgrams and letters to legislators on Capitol Hill in recent months, restaurateurs have participated in hundreds of meetings with senators and representatives—both in Washington, DC, and in home districts.

Senate moves on to parental-leave bill

After putting aside the minimum-wage issue, senators brought to the Senate floor a bill (S. 2488) that would require employers to give workers a certain number of weeks in unpaid parental and medical leave. As this ***Restaurants USA*** went to press, senators were beginning their second day of debate on S. 2488.

New employer regulation issued by IRS

According to final IRS regulations issued in August, employers must now let certain workers know that they may qualify for the earned income tax credit (EITC), a type of "negative income tax" the government offers to low-income workers.

The notice requirement applies to all workers for whom employers withheld no income taxes during the calendar year, excluding those who claim withholding exemptions on their W-4 forms.

The regulations require employers to send IRS Notice 797, "You May Be Eligible for a Refund on Your Federal Income Tax Because of the Returned Income Credit," or a copy to these employees.

The notices must either be included with the employee's W-2 form or sent within a week of the employee's receipt of the W-2 form. If the employer does not have to furnish a W-2 form to the employee, the deadline for sending Notice 797 is February 7, 1989.

This notice must be sent by first-class mail or must be hand-delivered to the employee. Notices sent through inter-office mail or posted on an office bulletin board are not acceptable.

Business-meal deductibility remains untouched

In a final agreement reached September 27, House and Senate conferees on the welfare-reform bill rejected a proposal to pay for the legislation by phasing out the business-meal deduction for certain wealthy individuals and unincorporated businesses. National Restaurant Association lobbyists had feared the provision would be included in a final welfare reform package.

DC ROUNDUP

☐ **Senate puts aside minimum wage.** After long hours of fiery debate with no foreseeable end, Democrats in the Senate called off consideration of S. 837, the bill to raise the minimum wage by 40 cents a year through 1991. Although there is a slim possibility that senators will try to bring up the bill again before Congress adjourns in mid-October, many observers predict that the minimum-wage issue is dead for 1988.

☐ **The National Restaurant Association slams unicode.** Association technical services experts filed comments in September with the Food and Drug Administration (FDA) on FDA's "unicode," a proposed regulation that would set burdensome and confusing new sanitation requirements for foodservice, retail food and machine vending operations. The proposal gives no explanation for the many significant changes it makes to current sanitation procedures. The association said the unicode's pervasive flaws make it "unworkable" and asked FDA to redraft the entire regulation rather than try to correct portions of it.

☐ **Committee approves warning labels on alcoholic beverage containers.** On September 20, the Senate Commerce Committee approved a bill that would require alcohol containers to carry one of two warning labels. One alerts pregnant women to the dangers of alcohol-related birth defects. The other cautions against drinking while driving or operating heavy equipment. The House has a similar bill pending in committee but has not scheduled any action.

☐ **IRS program will snare business tax cheaters.** The Internal Revenue Service is developing a document-matching program that will help the tax agency uncover businesses that are not reporting all their income. The program, which will go into effect over the next two years, will let IRS match income-related information returns filed by third parties to tax returns filed by sole proprietors, partnerships and corporations.

—Stephanie Gordon
—Denise Roach

SPORTS BAR Restaurants

Sports bars are winning more than just sports fans. With their emphasis on entertainment, they appeal to singles, families and anyone who wants to have a casual, good time.

Award-Winning Concept

by Julie Fintel

Michael Powers

ports bars used to call up images of a neighborhood tavern with good-old-boys watching the game on the TV above the bar, drinking their beers and talking about their own sports feats. There are still such places, but today the term sports bar is more likely to mean a multi-purpose establishment, with not just one TV screen but many, with state-of-the-art equipment to bring in multiple sport events and with a wide variety of activities to draw in customers. With such an all-embracing concept, it is no wonder that the sports bar of today has created an atmosphere where women as well as men can feel comfortable and where entire families can enjoy the food, entertainment and promotional activities. "The ladies don't have to feel hassled, and the guys don't have to feel intimidated," says Bill McHugh, promotions manager at the Baltimore Original Sports Bar in Baltimore, Maryland. "If a guy asks a girl to dance and she refuses, he can go over and enjoy himself shooting baskets."

People come to sports bars from all walks of life, too, since sports appeal to everyone. Some, such as Ditka's, a sports bar and restaurant in Chicago, have their clubs divided, with one section for the young and single, and another for the older crowd. But at other bars, truck drivers rub elbows with lawyers, and young singles cheer for the home team along with the families. During the Superbowl at Champions in Washington, DC, last year, entire familes arrived at breakfast time and spent the whole day.

New technology—the catalyst for change

The element probably most responsible for transforming the neighborhood, one-TV tavern into the multipurpose sports bar is the new communications technology that has made it possible to televise sporting events from around the world. Almost every sports bar has at least one satellite dish; many have cable hookups as well. All have more than one TV screen. Usually there is at least one giant screen and several smaller monitors placed around the rooms so that no table or seat is out of viewing distance.

Most of the sports bars have the capacity to show more than one event at a time, making it possible for one part of the room to watch a basketball game while another crowd watches hockey. For example, Rick Walker's Scoreboard in Fairfax, Virginia, has 13 color monitors and usually shows one event in the bar and another in the dining room. A disc jockey often works the controls, getting a feel for what the crowd wants to watch. But when a big event is on, such as the Superbowl, all sets are tuned to that one channel. Many clubs record games on videotape to show at a later date, and Ditka's of Chicago tapes comedy shows and its own in-house commercials for future broadcast.

Bar owners are constantly combing the consumer electronic networks looking for technological ideas they can adapt to their operations. A new Ditka's near the racetrack in Arlington, Illinois, (scheduled to open October 3, 1988) spent $500,000 for electronic equipment that includes a satellite dish and a computerized switching network, making it possible for the club to broadcast not only the races being run next door, but also those from all over the country. In addition, some screens can flash odds while others can show additional sporting events. The club's audio system provides realistic sounds—horses' hoofs pounding the turf, people screaming, bells clanging. In between races, normally a 20-minute dead time, the club televises its own professional handicapper, giving facts and color about horses and jockeys.

When Ditka's parent company, J.R. Management, Inc., opens Whitey Herzog's Restaurant and Powerhouse Nightclub in St. Louis, it will feature TV screens that can be split so that, for instance, while a baseball game is being shown, one corner of the screen can show Herzog, manager of the St. Louis Cardinals, commenting about the player at bat.

Getting them there

The bigger the sporting event, the bigger the crowd. But most sports bars offer sports fans more than a chance to watch TV; they can be participants, too—maybe not in a big-league event, but certainly in one of the bar's locally staged games or contests. Sometimes the event is as simple as a game of sports trivia, with the bar owner tossing out the questions and awarding drinks as prizes. But many of the bars do things more elaborately than that, having full-time promotion managers whose job it is to think up ways to get the customer involved. Brandon Steiner, a restaurant marketing consultant who handles promotions for New York's Sports restaurant, thinks promotions are the most important element in running a successful sports bar. "You

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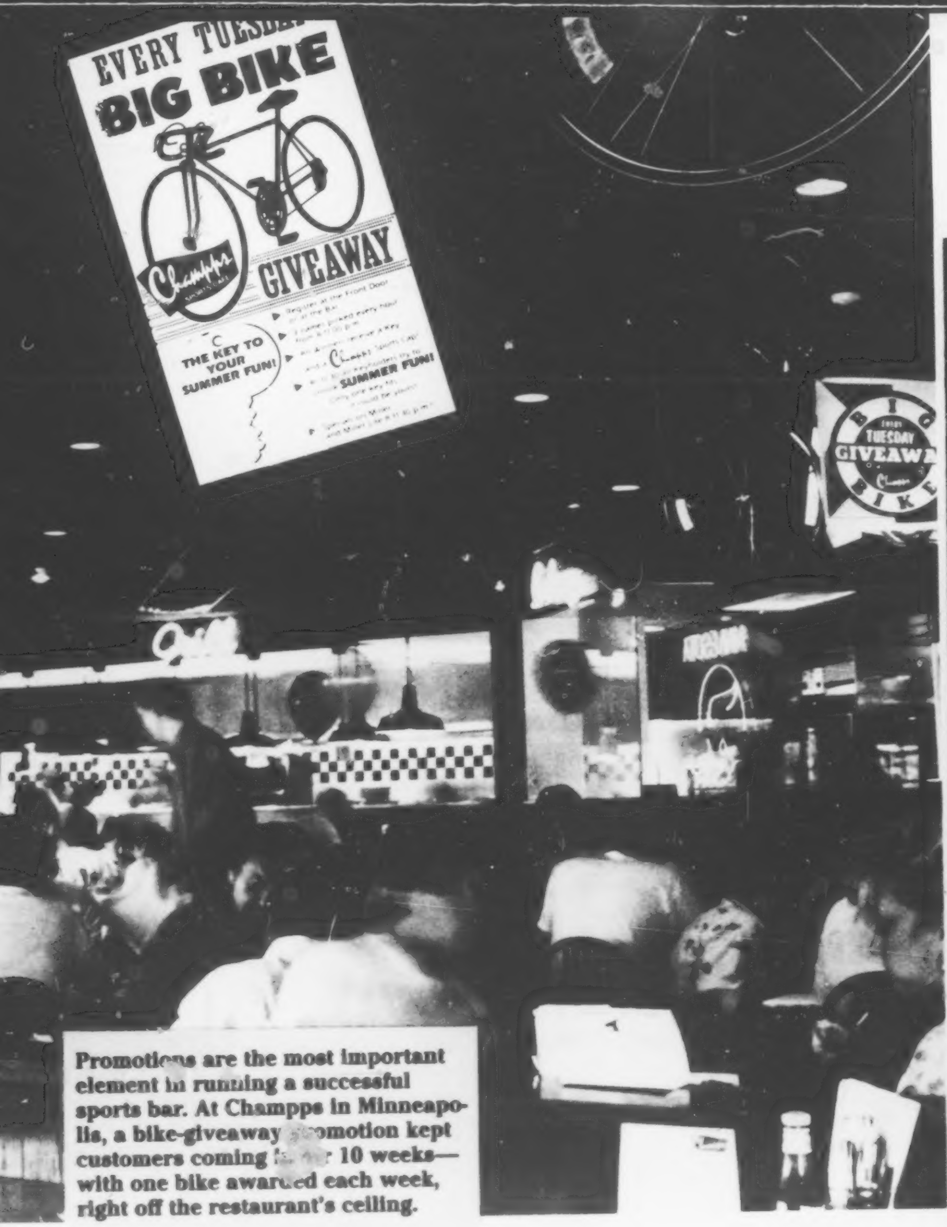
*Julie Fintel is a contributor to **Restaurants USA.***



Promotions are the most important element in running a successful sports bar. At Champps in Minneapolis, a bike-giveaway promotion kept customers coming for 10 weeks—with one bike awarded each week, right off the restaurant's ceiling.

One of Champions' signature attractions is the bartop. Each location houses an eclectic display of baseball, football and basketball cards and sporting event ticket stubs that date back to the 1800s.

can be doing everything right as a restaurant, but unless you promote constantly, you can't have a good sports bar," he says. "The sports bar fan is constantly looking for something that's fun, exciting and different." The ideas seem to flow without end from Steiner and other sports bar promoters. Here is a sampling of what sports bars throughout the country offer to get customers into their establishments:

☐ **Monday-night football.** This has always been one of the biggest nights for sports bars, but today's bars add their own incentives to bring in the crowd. At the Baltimore Original Sports Bar, touchdowns and two-minute warnings signal the beginning of the drink specials. But at Dean Vlahos' Minneapolis-based Champps, patrons keep an eye on penalties. As patrons come in the door, they get three tickets—half of the ticket goes into a basket; the other half they keep. When either team incurs a penalty, the emcee pulls three ticket stubs out of the basket and awards the holders of those tickets a dollar for every yard of the penalty, i.e., a 10-yard penalty means the lucky ticket holder gets $10.

☐ **Games.** Many of the sports bars have added attractions to entertain their guests. The Baltimore Original Sports Bar has six pool tables, five dartboards, two foosball tables, four ski-ball machines, six pop-a-shots (a basketball shooting machine), pinball machines, video games and even a half-court basketball floor. Patrons at Ditka's at Arlington Park can place bets on the horse races, without leaving the restaurant. And at Champps, Bozo Bingo has its own loyal following. The game is like regular bingo, but has earned the name "Bozo" because players sometimes mistakenly think they have won the game. "Then everyone calls them bozos," explains Champps' Promotion Director Debbie Huddock.

☐ **Celebrity hosts and bartenders.** Sports restaurant uses local newscasters, sports figures and even wives of sports figures as guest bartenders. For instance, Lisa Gastineau, ex-wife of Jet Defensive End Mark Gastineau; Toni Darling, wife of Mets Pitcher Ron Darling; and Ford model Cody Carmack, worked as bartenders one night in order to raise money to send underprivileged children to camp. Sports restaurant also brings in celebrities to host corporation parties at the restaurant, and Wally the Beer Man, a Minneapolis legend usually found selling beer at the stadium, comes to Champps on Monday nights to hawk his beer there.

□ **Contests.** When there's no game on TV, contests give sports bar patrons something to cheer about. Some popular examples at Champions in Tampa, Florida, include lip-sync contests, aerobic contests, and even a National Anthem singing contest, with the winner singing the Anthem at the opening game of the Buccaneers season.

Beauty contests are also perennial favorites. Some are traditional beauty queen searches, but others are offbeat, such as one for the best-fitting jeans or the best male chest.

□ **TV and radio.** Most of the celebrities who own sports bars have their own TV or radio shows that originate from their bars. Chicago Bears Coach Mike Ditka tapes his show every Wednesday night in front of an audience at his restaurant. A show called "Redskins After Hours" originates from Champions in Washington, DC, with former Redskins as hosts and celebrity guests. Champps brings in Viking Linebacker Scott Studwell to host its local radio show.

□ **Seasonal events**. Some of the most creative sports bar promotions are seasonal events. This fall there are big plans for celebrating Halloween, the Olympics and the Presidential elections. At Champps, Halloween decorations go up October 1, and on the big night itself, there is the usual

(Continued on page 14)

It's just a normal night at Sports restaurant in New York City, with people milling around and watching giant video screens and numerous smaller TVs.

Champions in Falls Church, Virginia, has a sulky (used in horse racing) attached to its service bar. This allows the waitstaff easy access to the bar, since their work area is clearly defined.

Sports promotions at nonsports bars

Even if your operation isn't a sports bar, with a little imagination you can sponsor promotions that revolve around current or past sports events. At Schelde Enterprises (12 units based in Grand Rapids, Michigan), for example, the company recently gave its 20th anniversary celebration a boost by tying it into the 20th anniversary of the world championship won by the Detroit Tigers baseball team.

According to Geri Kelley, director of promotions for Schelde's, race riots and war protests made 1968 a year to forget in Michigan—except for one glorious exception. "The '68 Tigers," says Kelley, "provided a ray of hope and inspiration for everyone in the state. And to this day, everybody in Michigan seems to have a story to tell about the world championship season."

World championship tie-in—for old time's sake

To dramatize its anniversary and customize the promotion to the local market, Shelde's decided to associate the chain's birthday with the 1968 championship season. The theme, "Two great teams; two great accomplishments," was used in the initial advertising teasers. For the main event, several players from the championship team were brought in to the chain's flagship restaurant for a September 29th dinner. The restaurant also gave away a week-long trip to "Tiger's Fantasy Camp" in Florida, where individuals can practice with ex-players at an authentic spring training camp.

A snowmaker and crew of four worked from 4 a.m. until noon to make an 18-inch-deep ski slope in downtown Washington, DC, for Chicago Bar and Grill's Ski/DC promotion.

The first three days of "Schelde's' Grand Slam Celebration" were also marked by 20 percent discounts on all meals at all 12 restaurants. In addition, drawings were held for weekend getaways to western Michigan resorts, getaways that included food and beverage coupons redeemable at Shelde's' more upscale operations in the Traverse City area.

Because another of Schelde's' promotion goals is to increase the magnitude of the event through the involvement of media, the company also arranged to have a live radio call-in sports show taped at Schelde's during its special "Tigers' dinner," as well as a statewide segment for the "Presspass" television show.

For non-hometown football fans

Chicago Bar and Grill, a restaurant and nightclub located in an area of Washington, DC, that boasts a number of similar singles bars, is another operation that distinguished itself in 1988 with several timely, attention-getting sports promotions that were both imaginative and original.

According to director of promotions Victoria LeBlanc, Chicago's most successful promotions are those that result from "staying current and always looking for a tie-in." In January 1988, for example, Chicago's management team struck a promotional gold mine when they decided to change the name of the bar for one day to Minnesota Bar and Grill.

The name change was an inspired attempt to tap the publicity being heaped upon Washington's successful football team, the Redskins. Because the Chicago Bar and Grill had become a natural gathering place for Chicago sports fans in the nation's capital, several television cameras were on hand to film Chicago Bears fans watching their home team lose to the Redskins in the 1988 playoffs. The television attention gave owner Norman Gross the idea to change the restaurant's name to Minnesota Bar and Grill in honor of the Redskins' next opponent the following Sunday.

To publicize the January 17th name change, Chicago's sent out press releases and passed out brunch invitations on Capitol Hill. Among those invited were U.S. Senators and Congressmen from Minnesota and their support staffs, and the State of Minnesota Governor's Office. Walleye pike, a Minnesota favorite, was shipped in for the Sunday brunch, and when the doors opened at 11:30 a.m., Redskins and Vikings fans poured in and formed separate cheering sections.

Television stations from Washington, Virginia and Minnesota covered not only the scene inside the restaurant during the game, but also many of the pre-event activities, such as the air-freight arrival of the fish, the Viking warrior who was suited up to pass out Congressional brunch invitations on Capitol Hill, and the painting and installation of Minnesota Bar and Grill signs.

For ski-loving regulars

Another of the restaurant's attention-getting 1988 sports promotions was not as topical but definitely was every bit as outrageous. When a representative of a popular ski resort casually mentioned to Kevin Tracy, Chicago Bar and Grill's director of operations, that the resort's snow-making machine was so powerful that it could cover a city street, Tracy, who knew that many of the bar's regular customers were ski enthusiasts, immediately began thinking of a tie-in. "I told him, put your money where your mouth is," says Tracy, and the idea for Ski/DC was born.

Tracy's plan was to cover three blocks of a downtown Washington street with artificial snow and to hold a day-long winter festival. The plan became reality when the Wintergreen Ski Resort, located 170 miles southwest of Washington, came in on the morning of February 7 and blew and packed 18 inches of snow—the only snow to be found in the Washington area.

Events for Ski/DC included a Men's and Women's Mixed Slalom Race, a Washington Chefs' Ice Carving Competition, a Celebrity Downhill and a Three-Man Toboggan Race. Twenty-six neighboring restaurants and nightclubs fielded teams and paid entry fees to compete in the various events.

Through entry fees and the sales of food and beverages, the organizers generated more than $1,000 for the DC chapter of the Sunshine Foundation, an organization that works to grant the wishes of chronically and terminally ill children. A good amount of media coverage also snowed upon Chicago Bar and Grill, as the event was picked up by all the local newspapers as well as several local television stations.

—David Slater

Stars at sports bars

It's only natural that sports figures would be drawn to sports bars, both as patrons and as part-owners; and part of the fun of going to a sports bar is the hope of meeting someone famous.

When Mike Ditka, coach of the Chicago Bears, opened his first venture in Chicago in September 1986, it became an instant hit. Now he owns three sports bars in the Chicago area. Bears' quarterback Jim McMahon also opened a sports restaurant in Chicago, as did baseball great Mickey Mantle in New York City, and Kansas City Royals' First Baseman George Brett in Hermosa Beach, California.

But even those sports bars that are not directly connected to a star can offer patrons a chance to rub elbows with some of the local sports figures. "Almost every sports figure who comes to DC drops in," says Michael O'Harro of his Washington, DC, club, Champions, where the Redskins are regular customers.

When a sports hero goes into the sports bar business, he usually agrees to invest more than his money and his name. His presence is required, at least part of the time. George Brett is always present for Monday Night Football at C.J. Brett's, a bar partly owned by him and his three brothers. Mickey Mantle has agreed to spend at least 45 days a year at the newly opened restaurant and sports bar he co-owns. Mike Ditka comes into his restaurant at least three times a week, even during football season, and plays an active role in all decisions having to do with the restaurant. And Rick Walker, ex-Redskin and owner of Rick Walker's Scoreboard in Fairfax, Virginia, has his dinner at a table set up near the door so that he'll be highly visible.

If customers aren't lucky enough to meet the celebrity, they can at least admire his trophies, jerseys, photos and other memorabilia, which are sure to be displayed. Or they can take comfort in eating a food item named for him or his friends. The signature item at Ditka's is pork chops, the coach's favorite food. But the menu also features a *Vinny Testaverde Pasta* and a *Zimmer's Popeye Spinach Salad* (Don "Popeye" Zimmer is the Chicago Cubs manager). C.J. Brett's has a Bill Walton pizza, a veggie special, and Howie Long roast beef.

Surf
JULY 13
B
SPORTS

Take me out to the ball game . . . the bleachers at Sports restaurant in New York City give the interior the look of a stadium. Sports recently hosted a fund-raising event for the Baseball Alumni Team with Surf Laundry Detergent donating nearly $500,000's worth of baseball-card collectible books. Among the baseball luminaries attending were Don Drysdale, Ralph Branca, Rusty Staub, Larry Doby and Gene Hermanski.

(Continued from page 12)

costume contest, but also a coffin holding a live Dracula to help people get in the appropriate mood.

Summer, normally a slow time in the sports world, has its own promotional possibilities. The Baltimore Original Sports Bar holds a Beach Night, complete with a sand-castle-building contest and a volleyball court set up on 32 tons of sand that have been dumped in front of the restaurant. For the more daring, there is a jellyfish toss, where raw chicken breasts are substituted. Champps has a beach night, too, featuring a beach band, as well as tropical drinks, a limbo contest and employees dressed in beach garb.

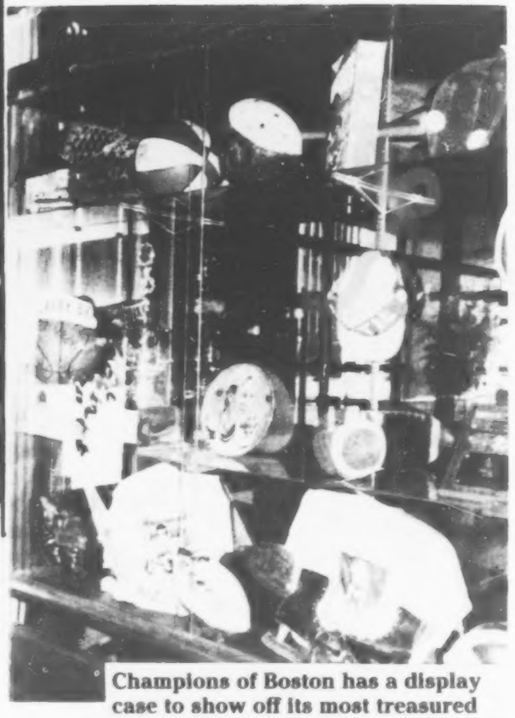
☐ **Promotional tie-ins.** Often a sports bar will work with a beverage or food company to develop a promotion. When Bartles and Jaymes cosponsors Bozo Bingo at Champps, for example, the wine-cooler company will provide balloons, pennants and table tents for the event. During the Olympics, Reeboks, the athletic footwear company and one of the sponsors of the Olympics, gave all Champps employees a brand new pair of white sneakers at a special price and free T-shirts with an Olympic design. Reeboks also furnished table tents with the Olympic event schedule, and it sold its products at the bar.

But the tie-ins needn't be longstanding. "Taster's Choice" at Champps is a short-term promotion that has built up a lot of customer interest. For one week a distributor gets to introduce a product which the bar doesn't normally carry, giving out free samples and distributing sales literature. If the patrons like the product, Champps will make it a regular item on its menu.

☐ **Charity tie-ins.** Rick Walker's Scoreboard in Fairfax is one of many sports bars that uses promotions to raise money for charity. One popular event is the Ugly Bartender contest. This year the bar's bartender stayed at the Scoreboard seven nights and days, with only a five-minute break each hour, to raise more than $10,000 for multiple sclerosis.

This summer Ditka's of Chicago staged a benefit with proceeds going to the fight against drugs. Food, drinks, a raffle, an auction, door prizes and a special sports celebrity newlywed game were the attractions, as well as a chance for party-goers to meet Mike Ditka and other Chicago-area sports figures.

☐ **Alumni groups and fan clubs,** which meet regularly at the bars, are other money-makers, and many sports bars go out of their way to attract this business by offering discounts on food and drink.



Champions of Boston has a display case to show off its most treasured pieces of sports memorabilia, such as a basketball signed by the Celtics' Larry Bird and a football signed by the Patriots' Doug Flutie.

☐ **Sponsoring local teams** pays off, too, not only in enhancing the bar's civic image but also in increasing business, since the team members like to come to the bar after the games to replenish their energy after working up an appetite.

Getting the word out

How do people find out about the events the sports bars are sponsoring? In addition to ads, there are signs out front to give notice to passersby of what's coming, or schedules on the tables or near the door. Special invitations are also mailed to regular customers. Sports bars do have their signature methods as well; fans of the Baltimore Original Sports Bar can call a recording to find out each week's scheduled events.

The feel of the place

In keeping with the total sports concept, almost all sports bars are decked with sports memorabilia, photos of the greats, and if the bar is owned by a star, mementos of his career, such as his jersey or the bat he used. The tops of the bars at Champions are covered with hundreds of old baseball cards, football cards and ticket stubs. Sports bar employees usually wear some type of sports uniform, often referee stripes. Some of the bars include a nightclub area with a dance floor—the dance floor at the Baltimore Original Sports Bar is in a boxing ring—and space for either a live band or a booth for a disc jockey.

An exception to the sports-memorabilia-as-decor idea is Sports restaurant in New York City. Built in what was originally a movie theater turned supermarket, the architects added two floors to the structure to convert it to a 6,000-square-foot, 500-seat restaurant meant to look like a small stadium. Sports events on the three giant video screens and numerous small TV screens are watched by patrons sitting at tables, the long bar or from a double row of bleachers. The bleachers, says promoter Steiner, serve two purposes: Sitting in them makes it easy for people to get to know each other—less awkward than standing at a bar—and they increase capacity without taking up a lot of room.

Where food fits into the game plan

Food is not usually the main draw at sports bars. Even those clubs that offer full dinners stick to food that fits into the total concept of the sports bar as a fun, casual place. No dishes are overly elaborate or experimental because the proprietors know that a customer who is eating with one eye on the ball game is not going to give full attention to a culinary masterpiece. Beef in the form of prime rib or steaks, pasta and seafood are the mainstays.

Many sports bars consider food secondary to the drinks and entertainment and offer what they call "ballpark food"—hot dogs, chili, nachos or barbecue. Deb Macey, co-owner of Saloony's Sports Bar and Grill in Chicago, even gives her food away, offering a Monday Night Football Special with free hot dogs and chili, and a Sunday Brunch with the Bears with free subs and chicken wings.

But others pride themselves on their food and insist the word "restaurant" be included in their name. Vlahos calls food the number-one priority at Champps and offers a 75-item menu comprised of snacks, sandwiches and salads, as well as seafood, some Mexican dishes and, of course, steak. He estimates food is 40 percent of sales, and liquor is 60 percent. (At some other sports bars the percentages are reversed.)

In fact, at a time when alcohol awareness is increasing, sports bars, with their emphasis on entertainment, give people other reasons to come to a bar besides to drink.

The new Sports Rock Cafe in Atlanta has two menus, one featuring appetizers, the other entrees. Champions in Georgetown is keeping its ballpark-food menu, but its other clubs serve full dinners.

Like a religion

Sports bar owners think they have hit on a good thing. Steiner points out that there were more than 637 sporting events carried by the networks last year. And no one will argue with the fact that Americans love sports. In fact, after seeing singles bars and discos come and go, Champions owner Michael O'Harro looked for something with more staying power. And he decided sports was it. "Sports is like a religion in America," O'Harro notes. With two clubs of his own, O'Harro has entered into an agreement with the Marriott Corporation to place Champions in some of its hotels.

Jerry Winston, manager of Champions in Boston, reports business has skyrocketed since Champions converted the hotel's 50s-style disco to a sports bar. The Tampa location opened in June, taking over a typical motel lounge, and sales have already doubled, even though summer is a slow time with very little to offer in the way of major sporting events.

Besides the Boston and Tampa locations, Champions have opened in Marriotts in Portland, Oregon, and Irvine, California. All four are doing so well that seven more Marriott Champions will be open by the end of 1988 and five are on the agenda for 1989.

PROMO

It's the philosophy that counts

by David Slater

Christmas is no longer a slow season, but a special time at the Golden Lamb Inn, thanks to the inn's successful promotions.

Restaurant promotions can serve a variety of functions. They can bring in new customers, beef up business on a traditionally slow night or introduce a new product. They can raise a restaurant's profile by captivating the media and generating positive word-of-mouth publicity. In short, promotions can be the threads that bind together a restaurant's product, ambiance and service and then give the package a jumpstart—the "something extra" that turns passersby into regulars.

There are as many different types of promotions as there are restaurants, of course, but the real marketing challenge is not simply to come up with new and different events. The key is to develop promotions that build a consistent image for an operation. The most effective promoters follow a set marketing philosophy, generating excitement in their operations by always looking for a creative angle that fits the restaurant's image.

Highlighting the operation's strong points

"We won't do a promotion for the sake of doing a promotion," says Gonzolo Munoz, co-owner of Washington, DC's E.E. Wolensky's. Even if a potential promotion might generate a lot of excitement and revenue, "we don't want to do it if it's not us," he says emphatically.

Wolensky's' owners take particular pride in the 180-seat restaurant's neighborhood appeal, its friendly upstairs saloon, its versatile menu and the large numbers of regulars who establish personal relationships with each other and with the three owners. These, then, are the aspects that Wolensky's chooses to call attention to in its promotions.

One of Wolensky's' most successful 1988 promotions, for example, emphasized a menu item that had been somewhat overlooked by customers—sushi chef "Hiro" Takata's American sushi selection. To suit the tastes of squeamish American diners, Hiro's sushi selection includes uncon-

David Slater is a communications specialist at the National Restaurant Association.

During Wolensky's' sushi-giveaway, chef Hiro demonstrated sushi-making to two local media personalities.

ventional poached-meat-and-vegetable combinations as well as the traditional raw-fish-and-rice offerings. On Hiro's one-year anniversary with Wolensky's, the restaurant planned a huge sushi giveaway that would meet three goals: It would educate the target market about sushi's versatility, let potential customers know about Wolensky's' American sushi and introduce a new half-price sushi promotion every Monday evening.

By passing out flyers to neighborhood workers and residents and by promoting the event in-house to restaurant regulars, the restaurant made sure the news of the giveaway would reach its immediate target audience. Wolensky's also got word out to the media through press releases and by sending sushi platters on the morning of the promotion to local radio disc jockeys. Several mentioned the promotion as they enjoyed the sushi. And, finally, to entertain the nearly 1,000 people who lined up to receive the giveaways, Hiro demonstrated sushi-making to two local media personalities, which resulted in even more radio and television coverage.

According to owner Munoz, the sushi giveaway perfectly fit Wolensky's' promotional philosophy "because we improved product awareness and got a lot of good word-of-mouth advertising in the immediate neighborhood, which is what we want because we're a neighborhood restaurant." The promotion also improved traffic on a traditionally slow night. Since Wolensky's began featuring half-price sushi, Monday "has become a big night for us," says Munoz.

Another unique Wolensky's promotion was geared toward stimulating customer involvement and maintaining consistency with a new advertising theme. When Wolensky's changed its menu earlier this year, it added caricatures of the restaurant's owners to the design. In March 1988 the restaurant began an ad campaign based upon those caricatures talking about the restaurant. To get new ideas and to involve the restaurant's many regular customers, Wolensky's decided to distribute placemats featuring the caricatures with blank balloons overhead. Customers were encouraged to write the ad copy, filling in the blanks, thereby composing their own promotional concepts for the restaurant. The prize for the best entry was a complimentary dinner for two with the owners and placement of the winner's ad in the local print media.

The more than 300 entries so exceeded expectations that the judging took an additional week. The winning entry—which said it was fair for the customers to have an opportunity to put words in the owners' mouths because the owners had been putting so much good food into their customers' mouths—reaffirmed two key points of the Wolensky's philosophy, the outstanding food and the concerned attention to customers. Thirty other notable entries that were distinctively "Wolensky's" were placed on one of the restaurant's walls, much to the customers' amusement.

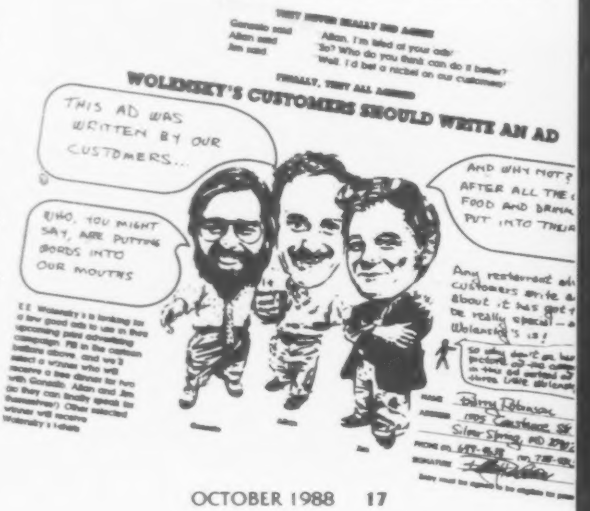
Involving the community

The people of western Michigan, says Geri Kelley, director of promotions and advertising for Schelde Enterprises, are typified by their pride in hard work and the family. "This heritage," adds Kelley, "is [also] what Schelde's is all about." Accordingly, the Schelde's promotional philosophy is based upon community involvement, with the long-term goal of making the 12-unit chain as much a part of western Michigan life as are native foods, family and community events.

When the Schelde's management team plans a promotion, they go out of their way to develop angles that will extend the promotion to the surrounding western Michigan community. "Even if we can't come up with something entirely new and different," says Kelley, "we always develop a way to customize the promotion to the market and give it a local angle."

Schelde's' interest in the local community has led the restaurant to feature such dishes as "Old Mission Cherry Duck" and "Cherry Capital Coolers" on menus in Traverse City, the world's cherry capital. And in 1987, when it needed some new cherry dessert recipes, Schelde's decided that rather than consulting cookbooks, it would involve local homemakers and amateur chefs in a recipe contest, offering Schelde's food and beverage certificates to the first and second runners-up. The winning recipe carried a cash prize of $500 and the promise of fame; it would be featured in Schelde's res-

The award-winning customer ad.


Gonzalo said
Allan said
Jim said
Allan, I'm tired of your ads
So? Who do you think can do it better?
Well, I'd bet a nickel on our customers!
FINALLY, THEY ALL AGREED
WOLENSKY'S CUSTOMERS SHOULD WRITE AN AD
THIS AD WAS WRITTEN BY OUR CUSTOMERS...
WHO, YOU MIGHT SAY, ARE PUTTING WORDS INTO OUR MOUTHS
AND WHY NOT? AFTER ALL THE FOOD AND DRINK PUT INTO THEIR
Any restaurant customers write about it has got to be really special — Wolensky's is!
Barry Robinson
Silver Spring, MD

CHERRY SUPREMES

Yields: 22 muffins

Ingredients:

2 cans (21 ozs.) cherry pie filling
1½ cups sugar plus 2 Tbs.
4 tspns. vanilla
2 tspns. almond extract
1½ cups graham cracker crumbs (13 double)
6 Tbs. melted butter or margarine
12 ozs. cream cheese
1 cup chocolate syrup
3 eggs
¼ cup flour
1 cup sour cream

Method:

Combine cherries, 2 Tbs. sugar, 1 tspn. vanilla, 1 tspn. almond extract. Chill.

Line muffin cups with paper liners. Combine crumbs, ¼ cup sugar and melted butter or margarine. Place 2 rounded Tbs. of crumb mixture in each muffin cup. Press to sides and bottoms.

Beat cream cheese and 1 cup sugar together until light and fluffy. Add chocolate syrup, 2 tspns. vanilla, 1 tspn. almond extract, eggs and flour; mix until well blended. Pour approximately ¼ cup of filling into each muffin cup. Bake at 350° for 23 minutes or until tops just begin to crack but are not dry—do not overbake. Remove from oven and cool.

Combine sour cream, ¼ cup sugar and 1 tspn. vanilla. Spread 1 tspn. of mixture on each cup. Chill thoroughly.

Top each Cherry Supreme with 1 Tbs. of cherry mixture (4 or 5 cherries and some sauce), allowing some sour cream to show. Refrigerate.

Recipe by Doris Quick of Old Mission Peninsula, Traverse City, Michigan, 1988 winner of the Second Annual Cherry Dessert Search held by Schelde's restaurants.

taurants—not only on the menu for several weeks but also on the placemats. In fact, the cherry search was planned so the winning dessert would be served in Traverse City units to coincide with the town's huge cherry festival in early July.

The response was overwhelming, says Kelley; more than 300 recipes were submitted and screened. Ten finalists were then evaluated on the basis of originality, taste, appearance and adaptability to Schelde's' commercial kitchens by a panel of judges, including writers from top local newspapers.

The cherry-dessert search was such a success that the restaurants decided to repeat it in 1988. Schelde's also quickly planned an apple-dessert search in Grand Rapids in the fall to take advantage of that region's leading crop. This time, with one successful search already under its belt, Schelde's managed to attract more than 600 recipes. Once again, the contest captured the attention of the local community. In fact, laughs Kelley, one of the most enjoyable aspects of the final judging was that each finalist brought her own cheering section, which added to the pageantry and excitement.

Although all of Schelde's' promotions are aimed at involving the local community, not all are high-profile events. In an ongoing goodwill activity, each Saturday a different local group is invited to a Schelde's restaurant for a complimentary meal. "We view it as another good way to get involved in the community and to focus attention on a particular group," says Kelley. Unlike most Schelde's promotions, which are increased in magnitude by involving the media, the Saturday lunch program is carried out in an understated manner. Like the more dramatic promotions the program complements, however, the results generate positive word-of-mouth publicity. "We know that the family and friends of the people who benefit from the program find out about it," says Kelley. "It's kind of a quiet way to keep our name out there in the community."

Building up slow times

The Golden Lamb Inn, a historic 450-seat restaurant in Lebanon, Ohio, draws its clientele mainly from Cincinnati and Dayton, both nearly a 35-minute drive from the restaurant. The inn's management staff believes that promotions for the destination restaurant should serve the specific purposes of offsetting slow periods by giving people a special reason to make the effort to dine there. "With about 80 percent of our lunch business and 95 percent of our dinner business coming from out of town," says assistant manager Fred Compton, "we have to use promotions to create something to get these people into their cars."

According to Compton, the numbers prove that the inn's philosophy is effective. Since the annual Christmas promotion was first instituted in 1969, for example, December has gone from the inn's slowest month to its busiest, with more than 30,000 meals served in December 1987.

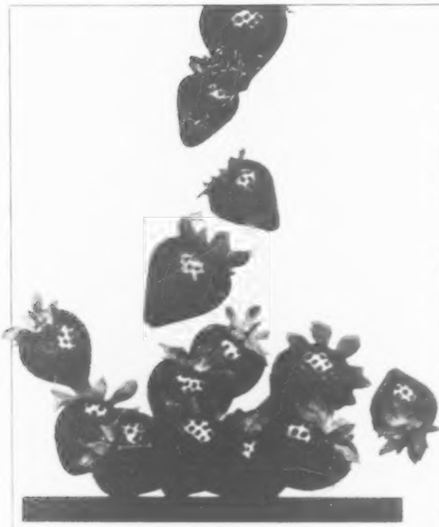
Including the December Christmas promotion, the Golden Lamb sponsors five major seasonal promotions that are given a slightly different twist each year. Each promotion attracts customers with special menus and decorations. From the Golden Lamb's marketing standpoint, however, what makes each promotion effective, according to Compton, "is that each is scheduled at a time of year when we want to get people in here."

The annual December promotion, for example, advertised as "Christmas is any December day at the Golden Lamb," is a clever example of the inn's policy of promoting the entire holiday season rather than simply the particular holiday.

Preparation for the December promotion begins in May; and by the first of December, the 185-year-old inn is decorated inside and out. Each year the Golden Lamb's December promotion revolves around a particular theme that involves history and native American foods. Past celebrations, for example, have included "Christmas is comfort," when the inn was decorated with elaborate quilts, and "Christmas at the Golden Lamb—Naturally," when natural decorations covered the walls. Other annual attractions include a Christmas art show, live Christmas trees decorated with antique ornaments and lights, and a caroling group that visits the restaurant nightly.

Each year, too, a different major meal is offered during each of the first three weeks of December. Venison, the most popular special, is offered during the first week (which is traditionally the slowest week). The second week might involve an English-goose special based on a meal eaten in Dickens' *A Christmas Carol*, with the next week bringing "Christmas at Mount Vernon," in the form of a turkey and Virginia ham special like that eaten by the nation's first president.

The Golden Lamb begins promoting its December celebration by mailing out more than 3,000 brochures around Thanksgiving time. By September, however, private party rooms are being booked by groups that have enjoyed the celebration in past years. "Besides the plain dollars and cents," says Compton, "the best gauge of the promotion's success is the number of calls we get in the middle of summer from people who want to know what we'll be doing this Christmas." ❑



Creating excitement with "prefab" promos

Even if your operation doesn't have the time or resources to develop elaborate promotions, there are a wealth of sources to turn to for ready-to-go promotional ideas that can be easily customized to a particular restaurant.

Birthday, anniversary programs

Hundreds of restaurants nationwide are having success with direct-mail birthday and anniversary programs instituted with the help of companies such as Schaumburg, Illinois-based Custom Marketing Services or the Birthday Business, located in Escondido, California. With the help of these services, restaurants compile personalized mailing lists and send birthday cards to customers. Each birthday card mailed includes a personal invitation from the sponsoring restaurant to redeem a gift certificate when the customer dines at the restaurant during his or her birthday month. The gift offered varies according to the image of the restaurant, from a dollars-off discount to a pitcher of margaritas or a special birthday cake for the entire dining party.

Nearly two years ago, Birmingham, Michigan-based Machus Enterprises Incorporated instituted the Birthday Business at one of its seven units. The results were so positive, says president Martin Kreger, that the system was soon added to five more Machus restaurants. Today, Kreger says, the Birthday Business is responsible for $150,000 in additional business.

Machus Enterprises expands its mailing list, which now totals 50,000 names, by offering monthly incentives to the servers who sign up the most new customers. "We find our customers to be very accessible," says Kreger, citing one waitress who added more than 100 names in each of 11 consecutive months. Another, he adds, signed up 284 customers in one month.

Food board promotions

Interested in sponsoring a seasonal blueberry or apple promotion but not sure where to begin? There are more than 100 generic food support groups that offer promotional materials, product information and merchandising ideas for foodservice operators from all market segments.

These groups can provide operators with recipes, ideas for weekly or daily specials and colorful buttons, posters and table tents. Certain groups, such as the California Strawberry Advisory Board, also will provide funding to support promotional costs at large chains.

Randy Brooks, president of Fresno, California-based Brooks Company (107 units), says, "We've had a real good response from our seasonal strawberry promotions, during which we usually offer strawberry desserts, such as strawberry pie, strawberry shortcake and fresh strawberries." At Brooks' Happy Steaks and Perko's family restaurants, the free buttons and table tents supplied by the Strawberry Board not only create "a good response from the customers," he says, "but also help get the employees behind the promotion."

Customized photo buttons

The crowd-pleasing power of the Polaroid PhotoMagic System was in evidence at the 1988 National Restaurant Association Show, where attendees lined up three and four deep to have their photos turned into customized buttons.

The surprisingly simple PhotoMagic System allows restaurants to create lasting mementos quickly by snapping a photo, using a cutter to cut the photo to size, and then popping the photo between two button parts. Custom-made or standard art forms can be ordered to promote a particular business, holiday or special event.

At Charlotte, North Carolina-based Valentino's, the PhotoMagic System is used on special occasions, according to manager Denise Georges, to "give customers a little reminder of their birthday or anniversary dinner with us. We've enjoyed using the photo system," she adds with a laugh, "and the customers definitely have had a lot of fun with it."

HAPPY BIRTHDAY!

FROM LETTUCE ENTERTAIN YOU

YOUR FRIENDS AND FAMILY PROMISED US THEY'D TAKE YOU OUT TO DINNER ON YOUR **BIRTHDAY** IF WE'D AGREE TO PITCH IN.

RESTAURANT POSTCARDS

A view across a dining room, with tables neatly set and happy customers looking out on the water. A still life of a table laden with inviting vegetables. The exterior of a tavern. A rendering of a diner. A closeup of a mural. These are all postcard scenes advertising restaurants.

by Gordon A. Reims

A generation or two ago, pictorial postcards were chiefly for vacation use. They showed ocean breakers, waterfalls or city skylines, with space provided for "wish-you-were-here" notes. But gradually the business advertising potential in postcards began to be recognized, especially by inns, motels, restaurants and specialized shops—some early on (See "Marketing Across Time" in this issue). Operators discovered that postcards attract attention, and marketers found that they are more likely to be saved by patrons than many other pieces of promotional material. They are, in effect, one-page pictorial brochures immediately mailable to potential customers. And they can be as realistic as a photograph or as whimsical as a sketch or painting.

For all types of operations

Restaurants of all kinds—the stylish, the picturesque, the hotel coffee shop, the enlarged diner—even a hot-dog pushcart—use postcards. The small coffee shop in the Yardarm Motel in Searsport, Maine, uses a standard card showing the neat but unpretentious interior. At the picturesque port of Crisfield, on Maryland's Eastern Shore, the popular Captain's Galley Restaurant has a lengthy postcard displaying three separate photographs—two shots of tables bearing enticing seafood dishes, and one harbor view through a picture window. According to manager Rich Tonelli, "These cards prove to be of good multi-purpose use. Our regular diners often pick them up, and the tourists who take the cruise boats to the islands use them for notes to friends and family."

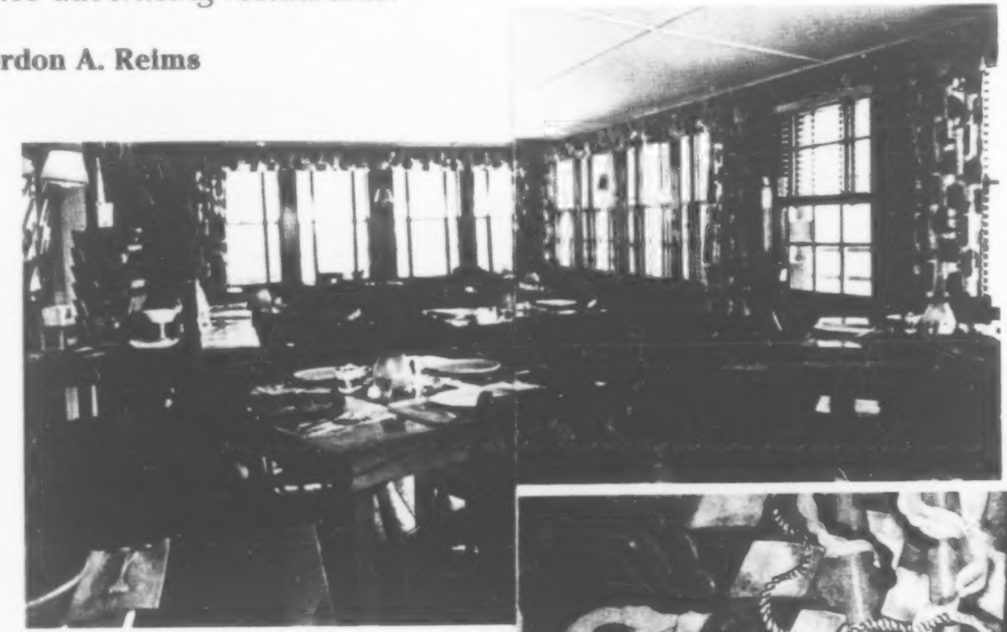
City restaurants also use postcards to extend the atmosphere of their restaurants. In Manhattan, Palio shows its famous mural on an oversized card, and the Union Square Cafe features a painting in its collection to highlight the original art on display.

If the pictured restaurant looks sufficiently interesting, attractive, stylish and inviting, the hope is that guests will send them to family and friends with notations such as "Here's where we dined Friday evening; the shrimp was excellent."

The Union Square Cafe goes one step further in encouraging its customers to use its postcards, which feature a still life of vegetables. The postcard is presented to diners at the end of the meal, and they are encouraged to write messages on the spot. The restaurant then mails them. According to reservationist and office manager Ellie Campbell, taking over the mailing responsibilities has been a great way for the restaurant to get the word out about its operation. The postcards go all over the world with messages describing the food and dining experiences. There are personal notes, too, of course, says Campbell who licks each stamp herself.

Postcards displaying the most eye-catching feature of a restaurant can be placed on tables for patrons to carry away; they can be stacked conspicuously at cashiers' desks (or on entrance-hall tables in situations where servers handle payment transactions), and they can be placed at chambers of commerce and travelers' information counters.

Gordon A. Reims is a freelance writer who specializes in postcard production. He lives in Deal Island, Maryland.



Some well-worn paths to follow

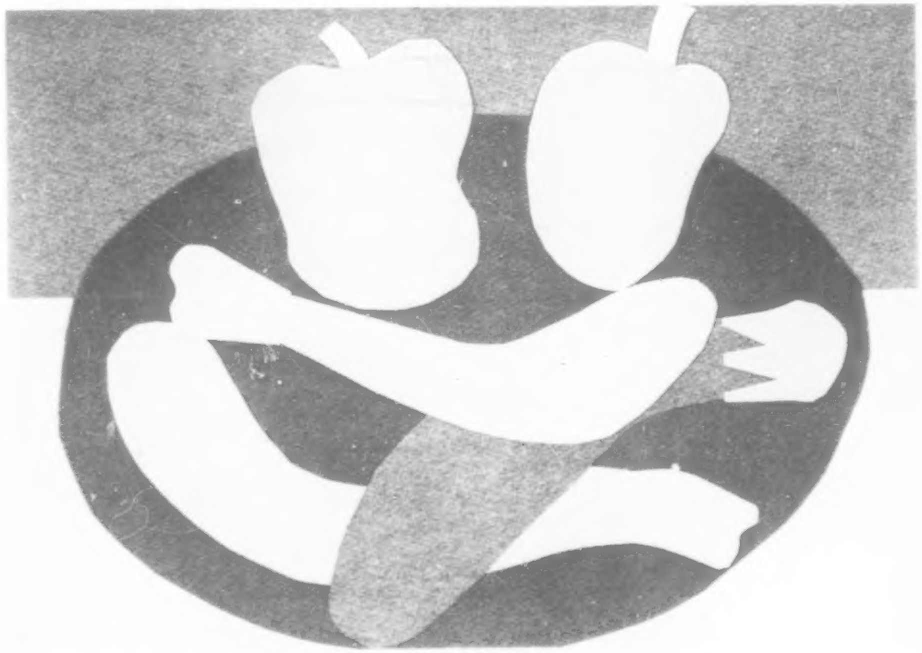
Although many restaurants and inns use postcards, the subject of postcard production is often cloaked in mystery, but it needn't be. Fortunately, in the picture-postcard field, there are some well-worn paths to follow.

☐ **Types and sizes of cards.** The familiar standard card is 3½ inches deep and 5½ inches long. It is still the most frequently ordered format, and the most inexpensive available.

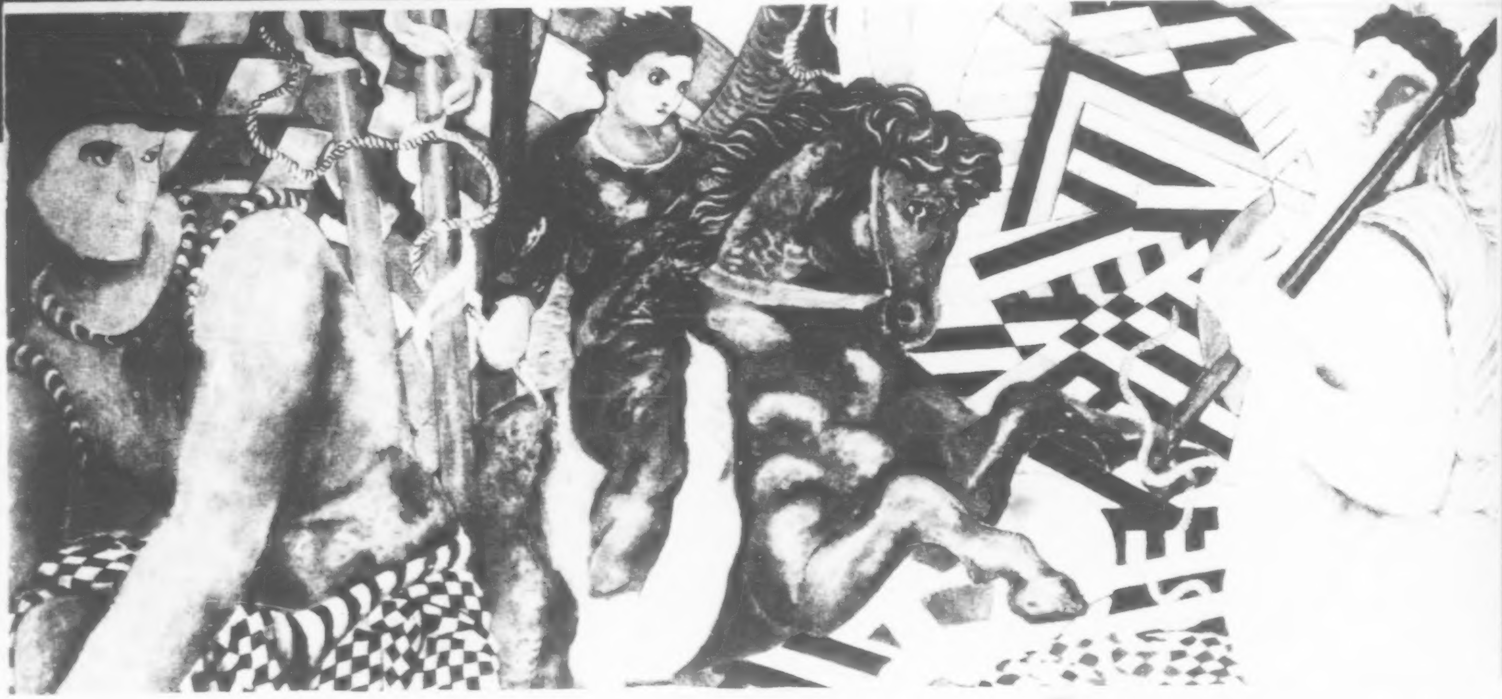
The so-called "continental" cards are slightly larger, sometimes offered with ruled or fancy borders, and these are more costly. Some printers produce their top-quality cards in this format.

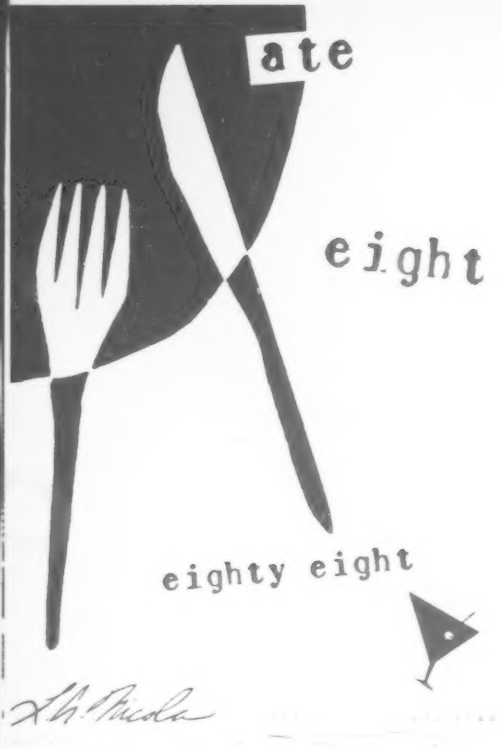
The long narrow cards, often called "panorama" or "brochure" cards, are usually 3½ or 4 inches deep and up to 9 inches in length. They can be used with great dramatic effect to highlight a design feature (such as Palio's mural), or they can be used in place of costly brochures, since they have enough space for displaying two or three photographs.

☐ **Prices.** If your restaurant or one of its features is so colorful, historic or scenic that postcards picturing it can be sold in the drugstores of your town, you "have it made." A view postcard, intended for public purchase by tourists, is produced at the photographer's expense. But realistically, as with 99 percent of the restaurants and motels in the country, you'll likely have to have them published yourself. The following are approximate prices for cards bearing one photograph, based on early 1988 lists of major postcard printers:



Restaurant postcards show their most distinctive or recognizable features—whether it's their dining room, as in the card picturing the coffee shop in the Yardarm Motel, or their artwork, as in the still life displayed in the Union Square Cafe, or the mural by Sandra Chio at Palio. All postcards are shown here in actual size.





◀ **Postcards can be great direct-mail pieces for restaurants to announce openings, menus or special promotions.**

When the view counts, some restaurants show it, as does the Casa Madrona in Sausalito, California.

CAPT'S GALLEY RESTAURANT
Home of the world's best crab cake
CRISFIELD, MARYLAND
CAPT. E

◀ **It's easy to show more than one picture when using a panorama-size postcard.**

	Quantity	Cost
Standard postcard	3,000	$250
	6,500	$325
	12,500	$470
	25,000	$600
Continental card	6,500	$500
Panorama-brochure	6,500	$525 plus

Except for the higher-priced rush service offers, the minimum quantity printed by most card firms is 3,000. Any of the various types and sizes of cards can be produced with from one to several photographs (although three or more will be pretty small on a 3½-x-5½-inch standard card). Most of the color-card-specialty printers have set designs and layouts which they can usually show you. The second picture is currently priced at slightly above $100, with additionals at from $50 to $70 each.

The bottom line on any order will include the photographer's own charge, as well as shipping, sales tax and, in some instances, overage. Overage? Printers always print a few hundred cards more than you order, just in case they spoil some. If they enjoy a good run, they'll send the extras to you and charge you a pro rata fee. (They'll deduct, too, if they run short, which isn't often.)

☐ **How to have cards produced.** Virtually all quantity-produced postcards are printed today by a dozen or so large national printers—from Miami, Florida, to Aurora, Montana—whose reps are the commercial photo studios and freelance photographers in your community. Local printers don't as a rule try to compete with the large postcard presses, although some may be as good as the specialized operations.

When it comes to taking the actual picture, photographers in your area, who have produced postcards for local businesses or for the scenic-view racks, are the logical parties to contact. They should be experienced in color photography and should be properly equipped for exterior and interior shots.

It's a good idea to contact a photographer in your own community—not just for chamber-of-commerce buddyness, but also because if you want any exterior views, he or she will be able to take them when the conditions of the sun and sky are right.

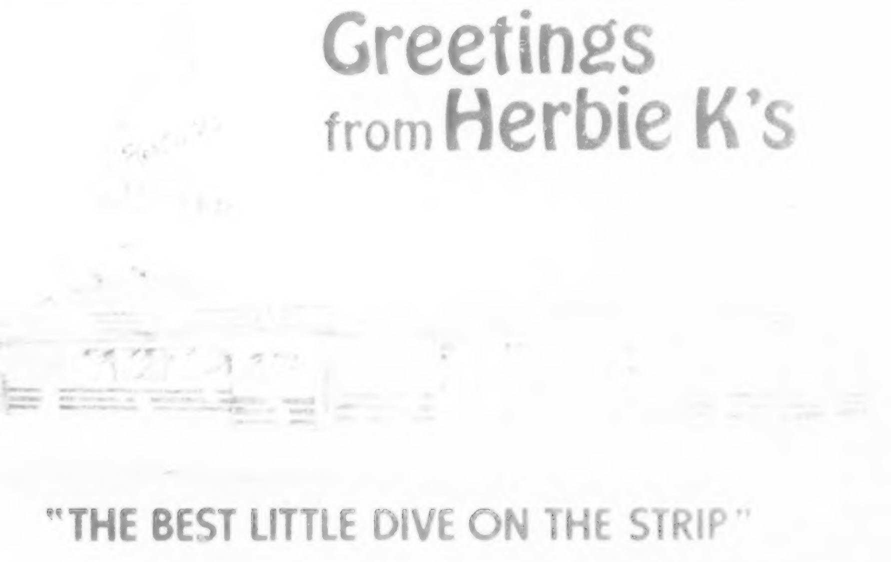
Express mail

Having postcards available for your customers to pick up is one way to use postcards to market your restaurant, but postcards can be used in a more aggressive marketing move--a direct mail campaign.

The American Express Direct Action program features 24 postcards that have been designed to suit the marketing needs of a wide range of restaurants. Participating restaurants use the cards to offer special prices, such as two-for-one deals, to customers who pay with their American Express cards.

American Express provides copy and pre-production work for the postcards, while the restaurant contributes to the cost of personalizing them and mailing them to American Express cardmembers in their area.

American Express has offered this program on a limited basis for the past four years, but it is now expanding the program to all restaurants that honor the card because of growing interest and the program's success.


Greetings
from Herbie K's
"THE BEST LITTLE DIVE ON THE STRIP"

The postcard matches the mood of Herbie's, a diner chain in New Jersey and Florida.

When the photographer comes. On his or her initial visit, the photographer will show you prices and samples, and you will in turn describe or show what you have in mind, hear his or her comments and suggestions, and consider the types of cards available.

The day you expect pictures to be taken, be sure to have everything ready—neatening up, placement of tables, preparation of any food dishes to be photographed, etc. If you're having an exterior shot taken, decide what to do about parked vehicles that might show—misparked trucks have caused many a delay. More important, perhaps, is your decision on whether or not to include patrons in your indoor shots. Friends and relatives often make excellent subjects, if they adequately represent your customer base. If not, hire professional models.

Finalizing the order. The photographer will return a week or so after taking pictures with the developed transparencies for you to examine. If you are satisfied, you'll select the photographs to be used and decide on the card size, the quantity needed and what descriptive copy is to be printed on the back of the card. Always select a snappy, strong color transparency—never one that is pale, flat or dark. A dull transparency is the most frequent cause of card disappointment.

The photographer will fill in prices and other details on an order agreement form. He or she will ask you to sign it and will request a deposit—usually about one-quarter to one-third the total price. The photographer will then send the order to the printer, who will usually contact you directly with an approximate delivery date.

As a rule, it usually takes four to six weeks from the day your photographer shoots the pictures until the delivery truck arrives with your cards. For shorter turnaround, most printers offer rush service, but it is higher-priced.

Often the postcards will be delivered C.O.D. (for the total due, minus your deposit), unless arrangements for billing were previously made.

Mistakes. Fortunately, the vast majority of postcard printings satisfy purchasers. In those few instances when an imperfect card is produced, most printers will usually reprint promptly at their own expense—provided, of course, that the transparency itself is not at fault.

Other uses and reorders. Once you have your cards, remember that you can use the same photographs in other ways—on menu covers, business cards or pictorial letterheads. (Be sure you discuss this with the photographer, however. Some photographers price their work differently if there is secondary usage, and the copyright law protects their right to do so.)

Even if the photograph may cost more for secondary usage, there is usually a saving in price when it comes to printing the same transparency, because once color separations have been made, printers can proceed more economically. If you later reorder your cards, there's a price break there, too, for the same reason. ┘

by Jan Whitaker

MARKETING ACROSS TIME

The whimsical charm of old restaurant postcards may be responsible for their survival, long past their expected lifespan. This same quality accounts for the willingness of contemporary collectors to pay $1 to $4 apiece for these small bits of advertising ephemera.

Spanning the twentieth century, restaurant postcards provide a documentary record of restaurant advertising trends and of restaurant history. It's almost too obvious to note, however, that artists' airbrushes have had much to do with molding these images—often delightfully. But if these old cards are less than 100 percent accurate, they are revealing nonetheless.

A. The subject matter of the restaurant postcard is quite varied. Building interiors and exteriors are most common. Many cards combine both. Kitchens are rarely shown, and the Nisi family's Sparetime Cafe in Omaha may be alone in displaying its meat locker.

B. Early cards, especially those published before World War I, mainly depicted matter-of-fact interiors or exteriors without the gimmicky insets and other postcard-illustrating curiosities that were to come later. Restaurant cleanliness was a big issue with patrons early in the century, and many cards boasted of the establishment's spotlessness. For this reason, interiors were typically photographed while empty, thus permitting the card's beholder to make a careful examination. No doubt the artist who retouched and colored Saxe's card so painstakingly was instructed to show how the gleaming wall surface reflected the table appointments.

C. Though it got its start in an earlier decade, the cafeteria was still a novel arrangement to most restaurant patrons in the 1920s. Former baseball-magnate-turned-restaurateur Charles Weeghman used his business' postcard to show people how the new system worked. On this card the photographer cannily captured a fur-coated woman patron in the foreground, suggesting that the "better classes" ate in this type of restaurant, too.

D. The development of the roadside restaurant, beginning in the 1920s and vastly expanding thereafter, gave prominence to the establishment's sign, and it no doubt seemed a natural choice for operators to let their sign shine forth on their card, too. George's in Cardiff by the Sea matter-of-factly called itself "The house by the side of the road."

E. The advent of neon lighting late in the 1920s meant that many 1930s and 1940s postcards (of the prized linen-finish variety) would feature neon signs. Boston's Lloyd's Steak House sports two such signs, which together are bigger than the restaurant's Depression Modern storefront.

F. Many a model or out-of-work actor got work posing for restaurant postcards in the post-Prohibition era, culminating in the 1940s when a restaurant's sophisticated clientele and convivial atmosphere were selling points. Seven out of 10 diners pictured on a postcard of Keen's Chop House in New York City hold cigarettes; all look like bon vivants.

G. Often the owners themselves appear on their postcards to show "personal supervision." Lee Willard beams radiantly alongside his chicken and steak house.

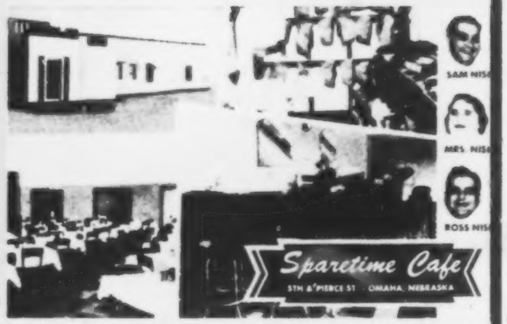
H. Food was not often pictured on postcards until the use of color film became widespread in the 1950s. The modern-type postcard, with its shiny surface and its detailed, full-color photorealism, has proven excellent for portraying food, as the card from Lucille and Otley's Florida restaurant demonstrates. The lemon pie's meringue shows every air bubble.

I. Seafood restaurants, which have always been big postcard advertisers, have usually tried one way or another to get their most popular and photogenic menu item—the lobster—on their cards. Probably only Atlantic City's Hackney's managed to get the staff to dress up like lobsters and smile (most of them, anyway) for the camera.

J. Given all the choices restaurant operators had of what to display on their cards, it's not surprising that some tried to squeeze in everything. Who did it better than Math Igler's? On one 3½-x-5½ inch card the owners showed their restaurant's exterior, two interior shots, a group portrait of their singing waiters, a map and two trademarks.

K. Ireland's Oyster House did a good job, too, with its four dining rooms, trademark and upstanding-looking owner.

L. Finally, there's Boo-Boo and Suzette, who sit together in a little bubble inset on the Kingsley Inn's card. This is the spot that on many cards is reserved for the proprietor. Why did the Kingsley Inn show its dogs instead? The answer is probably lost in time, but who could throw away a card like this?



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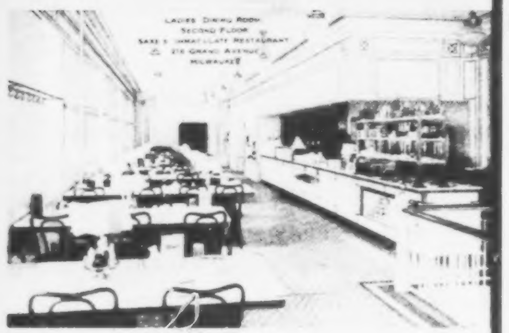

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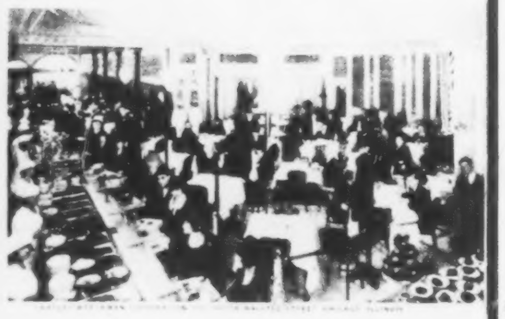

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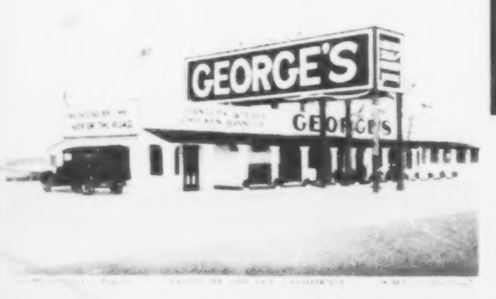

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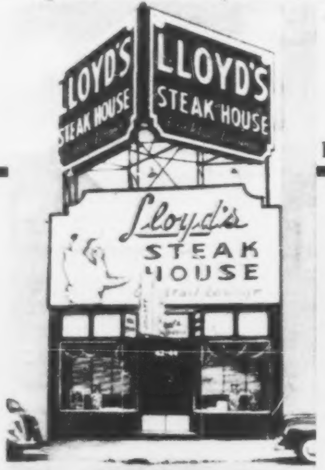

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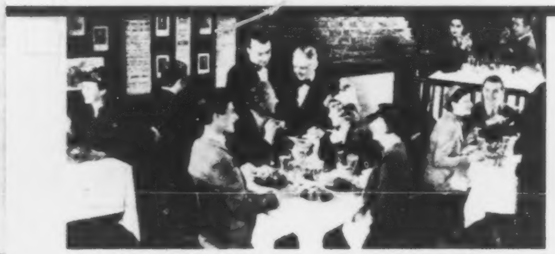

KEEN'S English CHOP HOUSE, 36th Street near 6th Avenue

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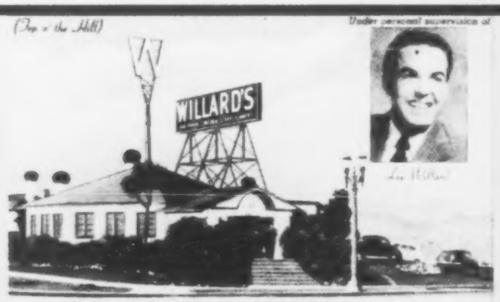

Willard's — Since 1928 — 9625 W. Pico Blvd., Los Angeles, Cal.

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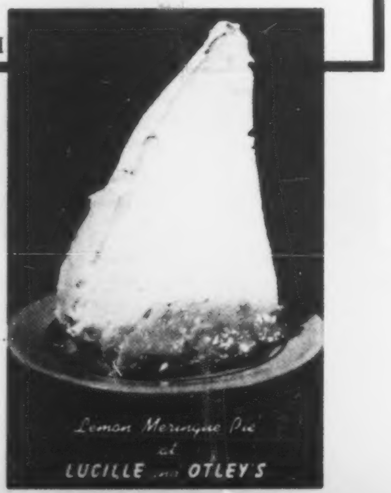
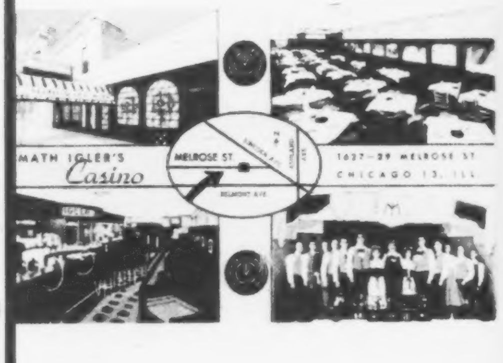


Lobster King Harry Hackney, with his lobster waitresses who won the prize in Atlantic City's Famous Beauty Pageant Parade on the Atlantic City Boardwalk

I



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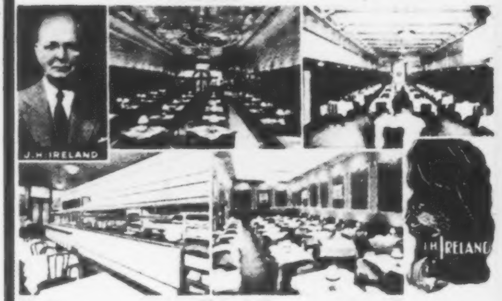

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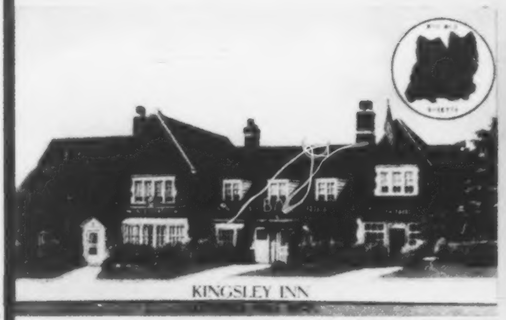

L

Jan Whitaker has been collecting restaurant memorabilia for five years. She is currently writing a book on the history of tearooms.

MOVING DOWN THE HIGHWAY

by Marcia Hibsch Coppess

In their never-ending quest for the perfect location at the right price, restaurant owners are looking outside city limits to the suburbs. There is a good reason to move down the highway: While choice downtown real estate has become scarce and prohibitively expensive, the suburbs gained 5.8 million hungry new residents between 1980 and 1984.

As affluent baby boomers experience their own baby boomlet, their fascination with gentrifying decayed neighborhoods takes a backseat to good schools, backyards and other echoes of their parents' past. But, though they boomerang back to the trappings of their childhoods, they also bring with them some decidedly nonsuburban lifestyle requirements.

The steak-and-cheese-toast dinnerhouses that represented the best of suburban dining 30 years ago aren't enough for the new suburbanites. They demand variety, quality, intense flavorings and signature items. That creates a niche for high-quality concept restaurants seeking new locations.

Steven Rockwell, vice president of Alex Brown and Associates, an investment banking firm in Baltimore, Maryland, warns, "The restaurant industry is so large and fragmented, it's easy to find a trend showing anything you want. But it certainly is true that the growing affluent customer base in the suburban market leaves a void in the suburbs that needs to be filled."

Restaurateurs are attracted to suburban locations for as many reasons as there are restaurant concepts. But six advantages seem to stand out:

☐ **Less competition.** As appealing locations in the city become saturated, suburbs with open space and new buildings catch the eyes of many restaurant owners. Jean Leon, owner of La Scala in Beverly Hills, California, knew suburban Brentwood was a good location for one of his La Scala Presto restaurants, a trattoria version of his expensive restaurant in the city. So when he saw a building under construction along a major highway in Brentwood leading from Los Angeles, he approached the builder.

"The growing affluent customer base in the suburban market leaves a void in the suburbs that needs to be filled."

Other small restaurant chains have discovered that opening a second location in a metropolitan area makes better marketing sense than entering an entirely new city. The Old Spaghetti Factory, operated by OSF International in 23 cities nationwide, recently broke with tradition by building a suburban location 16 miles from its Salt Lake City restaurant.

"Our move to Mid-Valley Family Center was not a statement that we are leaving downtown locations," says Bob Barr, director of marketing. "It is a way of complementing the reputation we have already established in a new city. The Salt Lake City market is small enough to spread our reputation, identity and awareness, but large enough to have more than one location without affecting the customer counts of our downtown location."

☐ **The changing city.** Because of the growing attraction back to the suburbs, the cities are losing residents who might otherwise frequent downtown restaurants. "Beverly Hills has undergone an enormous transformation in the last 15 years," claims Leon. "The clientele my business has catered to for more than 30 years has either moved to condos, Malibu or gone to heaven. What's left are new residents who are not accustomed to eating at a fine restaurant like mine. The young people—yuppies—want a different kind of meal," Leon says. "Instead of a special dinner out, they want to have dinner for two with a bottle of wine for $25, and they want to go out every night."

☐ **The two-career working family.** Steve Polski, owner of Market Barbecue in Minneapolis and Wayzata, Minnesota, believes that, "In

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Marcia Hibsch Coppess is a freelance writer in Pasadena, California.

the suburbs, going out isn't an event. It's a daily habit." This habit is often dictated by the hectic schedules of the two-career families, who look to restaurants to provide nourishment and a comfortable place to unwind after a long day.

Jim Errant, president of Errant Enterprises in Chicago, opened his first Claim Company restaurant in downtown Chicago in 1973. "By 1978, I saw that baby boomers were moving to the suburbs and settling down, just as I was at that time," he says. "I wanted a restaurant that would attract a large volume of family people—I wasn't interested in the fickle bar crowd. The people I was looking for didn't want to spend a lot of money. They wanted to get good food quickly."

Errant opened his second Claim Company in an upscale mall in Northbrook, Illinois. "The mall location brought us shoppers and business lunchers who are in a hurry. That offers us a turn or turn and a half between two and five o'clock, when other restaurants are slow."

☐ **City real estate costs.** Land, rent, utilities and taxes are pricing out restaurants as more speculators purchase blocks of downtown real estate. Leon of La Scala is looking for a new Beverly Hills location after his landlord raised his rent tenfold and demanded a percentage of the gross. Errant closed his downtown location after 15 years when his lease ended and rent tripled. "We had no lunch business and no parking. It just wasn't worth it," he explains.

☐ **Business in the suburbs.** Businesses that need large facilities have discovered the same problem downtown restaurants have: The available space is either exorbitant or too small for their needs. With their labor source moving further and further away and rapid transit not keeping pace with migration patterns, light industry, service and high-tech businesses are building industrial parks up to 50 miles from the center of major metropolitan areas. In fact, during the office-building boom of 1980 to 1983, two-thirds of all office construction was in suburbs outside metropolitan areas.

"We select our suburban locations very carefully," says Errant. "We go into areas with upscale shopping centers surrounded by businesses, office complexes, hotels and residential areas. The factor with the greatest future importance is convenience. I don't want to be the only reason people come to my location."

☐ **Parking.** "Families coming in from the suburbs don't want to walk 10 blocks through city streets to get to our restaurants," says Barr of OSF. "But it's almost impossible to find downtown parking. The situation in Mid-Valley is a dramatic change, however. It makes a big difference for a family restaurant."

Problems in paradise

Yet life in the suburbs is not as serene as a manicured rose garden. Three major issues are the thorns in the side of the suburban restaurateur:

☐ **Labor.** It should come as no surprise that labor counts as the largest of those thorns. In affluent suburbs with little need for public transportation and a high demographic profile, the low-paying and unskilled jobs go begging.

"I don't even have words to describe how bad the labor shortage is in Chicago," groans Errant. "Restaurants actually bid for dishwashers and busboys! One of my suburban restaurants has not been able to achieve full staffing since it opened six years ago. As a result, it consistently runs $400 to $600 each month in overtime. If a suburb has no public transportation, people have to come by car. That limits the availability of the people who usually take the unskilled jobs."

Marc Berkowitz, a family owner of Legal Seafoods in the Boston area, says the difficulty in finding labor differs according to the location. "The accessibility of rapid transit in the greater Boston area directly affects the availability of labor," he says. "The closer our restaurants are to the labor force—meaning the city—the easier it gets."

☐ **Different customer attitudes.** Restaurateurs accustomed to the pace and tone of the city express surprise at the transformation their customers undergo when they get home. Instead of eagerly ordering unusual and new menu items, they demand the same thing every week, prepared the same way. They want a fast meal and a quick glass of wine. Then they want to go home.

"We are busy virtually every hour we are open downtown, with policemen, people from hotels and businesses coming in at all hours of the day. We don't know who will come through the door. In the suburbs, all the people have the same shirts with little horses on the pocket. We have fewer problems, but it isn't as colorful," observes Steve Pollsky of Market Barbecue.

Some restaurant concepts may never succeed in the suburbs, while others have no place in the city. The most important ingredient to success, as always, is matching location to customer. Although a restaurateur enjoys success in one city, he may find that his concept doesn't translate from city to suburb.

The Ark Restaurant Corporation, which operates 17 successful restaurants in Manhattan, one in Boston and is opening one in Washington, DC's redeveloped Union Station, tried the New Jersey suburbs and learned a painful lesson when the venture failed.

"What we do well in an urban setting is not transferable to suburbs," says Michael Weinstein, a partner in the corporation. "The suburban customer doesn't accept our design, our concept or what they see on the plate. We're confident that our best and only locations are in the city."

Any location is fair game

Finally, the most common attitude today is that any location is fair game as long as it has the elements necessary. "I listen to every site-selection proposal," says Berkowitz of Legal Seafoods. "I never close anything out, but a new site has to be in an area that we have preselected. Factors like the lease structure, customer mix and square footage are what matter."

Barr agrees. "We constantly look for new locations for the Old Spaghetti Factory. Our new location in Mid-Valley serves as a prototype for restaurants we may build in the future instead of working within existing space. We no longer take the attitude that we are only for a downtown area. Now we'll look at and develop something in the suburbs if the ingredients are there for success."

IS IT WORTH DOING THE WASH YOURSELF?

by Kathy Boyle

Kathy Boyle is a freelance writer in Rockville, Maryland.

In 1986, Ralph & Kacoo's, then a chain of four seafood restaurants ranging in size from 350 to 700 seats, was paying $200,000 a year for rented linens, tablecloths, towels, rugs and uniforms, but the quality was below standard, says Todd A. Gerald, general manager for the restaurant in Baton Rouge, Louisiana. "In fact, we were rejecting 20 percent of the laundry for a 20 percent loss," he painfully recalls. The last straw came when the linen supplier asked for a 23 percent increase to give Ralph & Kacoo's the quality service it was demanding.

That is when Ralph & Kacoo's restaurant in Baton Rouge decided to build its own state-of-the-art laundry facility. It invested $300,000 in the laundry, which includes the building, equipment, inventory and training. "We took a separate loan for the venture and treat it as a separate business," explains Gerald. "Our plan was to pay back the investment in three years and at the same time regain $15,000 a year in laundry savings."

However, after just one year of operation, the laundry is 10 percent ahead of projected estimates while operating at only 60 to 65 percent capacity. This means there is room for growth.

After Ralph & Kacoo's' three-year loan on the laundry project is repaid, Gerald estimates annual laundry savings will bring in $65,000 per year.

Gerald thinks other multi-unit operators can learn from this experience. "Once you are at the three-store level, you had better start looking at your laundry bill," suggests Gerald, who notes that the savings increases with each additional unit.

Savings from doing laundry in-house

Although the concept of building one's own laundry facility has long been the norm for hotel and motel operators, it is the exception in the restaurant business. Few restaurateurs bother with a laundry operation, although substantial savings can be realized. For many, doing the wash simply means installing a washer and dryer in the basement and assigning someone on staff to occasionally run a load. Although few operations have gone to the lengths of Ralph & Kacoo's, Ralph & Kacoo's is not the only establishment to reap the success of doing its own wash. In 1985 the Mt. Hawley Country Club in Peoria, Illinois, built its own laundry operation. At that time it was spending $40,000 a year on rented laundry.

To remodel the proposed laundry area in an unfinished part of the basement cost the club about $18,000. The area they chose had a dirt floor. The club had to pour a cement floor, add plumbing and drains, run necessary wiring and add ventilation systems for the laundry. It purchased five pieces of equipment: two 35-pound washers, two 50-pound dryers, and a mangle for ironing. According to general manager George L. Gibbons, "We are getting by all right, but if I had it to do over, I would have installed at least one larger 50-pound washer instead." Total cost for all the laundry equipment and soak tubs was $20,000. Today the club is saving about $10,000 a year, says Gibbons.

Haussner's Restaurant, a 900-seat restaurant in Baltimore, Maryland, also built its own laundry. "Cost factors made us do it," says Stephen S. George, general manager. "Five years ago, when we built the laundry, we were paying $100,000 for rented linens." Almost immediately the restaurant saved 40 percent on its linen expenditures, and within two years it paid back its startup costs.

To build the facility, Haussner's made some minor additions to an outbuilding it owned in back of the restaurant. The conversions cost about $70,000. Like Ralph & Kacoo's, Haussner's runs the laundry operation as a separate business. "We run the laundry as its own profit center. We continue to charge the restaurant to do its laundry, just as if the restaurant were still renting the linens. So the profit from the laundry is our savings," says Stephen George. That savings adds up to a tidy $3,000 a month.

> ***"We run the laundry as its own profit center. We continue to charge the restaurant to do its laundry just as if the restaurant were still renting the linens. So the profit from the laundry is our savings."***

Even the less expensive restaurant laundry operation—a single-person operation working out of the basement—can bring savings if the proper commitment is made. Bob Ruby's Great Steaks, a 250-seat restaurant in Altamonte Springs, Florida, investigated the difference in cost between renting linens and doing the laundry in house. "Before we opened in October 1987, we priced renting linens versus buying them and then washing them ourselves. We found it would be much less expensive to do it ourselves," says manager Nancy J. Jasmin.

Currently, Bob Ruby's buys all its own linens and employs one full-time person to do all the washing, drying, finishing, pressing and folding of approximately 150 tablecloths a day, six days a week.

Bob Ruby's Great Steaks is located on the third floor of an interior-design center, and its laundry is in the basement. "The laundry is a standard setup. It looks like your typical laundromat, except with industrial-quality washers and dryers, and folding and ironing tables," explains Jasmin.

Cost not the only factor

Despite substantial opportunity for cost savings, quality control is another reason often cited by operators who choose to build their own laundry facility. "When something is not right, we just do it over," says Gibbons. "With a supplier, we had to return the linen and ask for an adjustment."

Color uniformity is another advantage. "By doing the linen ourselves, we can keep the color of all the napkins the same. Our burgundy-colored napkins would ordinarily fade unevenly with successive washings," says Robert J. McNulty, laundry manager at Ralph & Kacoo's. "By running our own laundry, I can redye the napkins as needed . . . about once every five weeks. When you use a linen supplier, it is not as easy. Doing it yourself costs a little more, but anyone can do it."

Finally, when linens get past their prime, they can be recycled for cleaning rags.

Sufficient laundry to build a facility

In order to make a separate laundry feasible, there must be a sufficient volume of laundry to merit the expense of building a separate laundry operation. The Capital City Club in Atlanta does the laundry for both its club operations—the Capital City Club in Atlanta and the Capital City Country Club, located outside the city. "We do everything," explains club manager Manfred Jagiella. "We do uniforms, tablecloths, napkins, finger towels, cooks' uniforms, maintenance and housekeeping uniforms, cleaning towels and rugs for the kitchen."

For Ralph & Kacoo's the deciding factor was the large volume of napkins—210,000 per month—and 25,000 aprons. The laundry also cleans bar towels, walk-in mats and kitchen rugs.

What it takes to get started

☐ **Inventory.** A major expense associated with starting one's own laundry is the acquisition of an adequate inventory of linens. Gibbons purchased a complete linen inventory for the Mt. Hawley Country Club. This cost $40,000. "It may have been on the high side because I ordered 100 percent cotton. But for my needs, it was worth it: Starched cotton napkins stand up on the table when folded, which is almost impossible to achieve with polyester napkins," he explains.

Once linens are purchased, there are replacement charges. Haussner's believes it may be spending $5,000 to $8,000 each year for replacement linens, including aprons, towels and uniforms. "But the life span of linen goes beyond a year," notes Stephen George.

☐ **The right equipment.** What type of laundry equipment to buy is determined by the type of linens used in the restaurant. "Our machines are not designed for tablecloths," says McNulty of Ralph & Kacoo's. "We do 50,000 to 55,000 napkins a week. You have to take the situation and design around it. A single-roll ironing machine does a napkin superbly, and this type of machine costs $30,000—versus a three-roll machine which you would use for tablecloths, which costs $120,000. If we were a tablecloth-oriented restaurant, I would have bought that type of ironing machine."

☐ **Experienced staff and advice.** A trained and experienced laundry manager can make the difference between profit and loss in a laundry operation. "From the beginning we said, 'We know nothing about the laundry business; we are in the restaurant business, so let's hire an expert who knows the laundry business and its ins and outs,' " recalls Gerald from Ralph & Kacoo's. So the chain hired McNulty six months before the laundry was built.

McNulty knew about laundry. He grew up in his own family's laundry business and later managed a chain of dry cleaners for a number of years. He put this experience to good use. During his first months on the job, McNulty finalized and submitted plans, filed permits, ordered equipment, made arrangements with the utilities, contracted with soap companies and ordered the linen inventory.

When Haussner's decided to add its laundry, Stephen George went to his rental linen suppliers and asked for their help. They made suggestions and recommended equipment and suppliers. As a result of this support, when George must rent colored linens for special parties, he still calls on these suppliers.

Take advantage of government programs when hiring laundry personnel. Operators note that local or state employment agencies can be helpful in finding qualified laundry personnel. For Ralph & Kacoo's, the unemployment office screened applicants, set up the interviews and provided the office space for the meetings. "Also, we were able to recoup some money in training costs through the Targeted Job Tax Credit (TJTC) program," notes Gerald.

☐ **Time.** It takes time to iron out the wrinkles. "It takes a good six months to get a system up and to train people and to implement daily maintenance procedures," warns Gibbons of the Mt. Hawley Country Club.

What it takes to run the laundry

A laundry can be run on a different schedule than the restaurant. Currently, Ralph & Kacoo's' laundry operates four days a week, Monday through Thursday, 8:30 a.m. to 4:00 p.m. This leaves Friday as an overflow day. "The extra day allows us to float volume," explains Gerald. In addition to a manager, the laundry employs eight hourly employees—five who do finishing work; one who loads the heavy, wet laundry; one who sorts all laundry; and one driver. The laundry services all six Ralph & Kacoo's Seafood Restaurants, which are scattered in a 300-mile radius. Four stores—all within 100 miles—have pickups and deliveries three times a week. The other two are serviced twice a week.

Haussner's operates its laundry five days a week with three full-time employees. "They do a super job," says George. "They work from eight in the morning on a flexible schedule. When the work is done—usually an average of five hours each day—they go home."

Seven people work at the Capital City Club laundry, which handles the laundry for both Atlanta clubs, and an eighth employee works at the Country Club laundering bath and finger towels. The Capital City Club's laundry is located in the basement of the City Club. It receives a daily shipment of laundry from the Country Club on its own trucks.

Expanding operations?

Operators are very reluctant to expand their laundry services to other restaurant customers, although some have been approached. "We may take on some outside business, but it would only be one at a time so we could iron out any problems," says Gerald of Ralph & Kacoo's. ❑

> ***"Once you are at the three-store level, you had better start looking at your laundry bill."***

TO MARKET, TO MARKET

Doing business with business is smart business these days. More than 80 percent of all catering is corporate; the majority is repeat business. It is a market with phenomenal growth; it is steady, diversified, competitive, with plenty of room for newcomers. And success shines on those who excel at details and creative marketing.

WITH OFF-PREMISES CATERING

by N. Jeanne Wertz

Business has moved from eating out to eating in. Corporations have stepped up their entertaining to enhance their corporate image. "There is plenty of work and opportunity for caterers," says Terri Woodard-Polster, a catering consultant in Pasadena, California, who has instructed some 600 participants in the National Restaurant Association Educational Foundation's off-premises catering seminars. She says that "corporate catering is steady, not as erratic as social catering, which reflects the seasons and the economy." Logistics and marketing, however, are big problems in tapping this market.

Marketing

"You've got to develop a marketing plan," says Michael Roman, president of the National Institute for Off-Premises Catering in Chicago, Illinois.

There are three separate facets of a marketing plan: getting the job, performing well and following up. (See accompanying chart.)

According to Tony Rubino, president of the National Caterers Association in Akron, Ohio, "There are so many ways you can go; it's trial and error to find the few good ways." The most popular and important techniques are direct mail, telephone calls, brochures/menus, on-site performance and Yellow Pages ads.

Direct mail

The experts agree: Start with what you have, your built-in house list.

Desktop Dining from the
tenth St. Market
Can't leave the office? Call us at 523-1095 & order from our take-out menu. We'll have your lunch or dinner on your desk
12 OAKS CATERING
A new alternative for business luncheons and receptions in the Metropolitan area.
3.95/person
95/person

N. Jeanne Wertz is a marketing and publications consultant in Arlington, Virginia.

Build on that list for direct mail, telemarketing, personal visits and follow-up. The tenth St. Market, in Cleveland, Ohio, excels at direct mail. The company, which does 85 percent of its catering for corporate lunches, started with a list of 200 names. It put its "small budget" market dollars into direct mail and built the data-base list to 2,500 names.

"It works for us," says general manager Kim Haller. Haller says she uses direct mail because it makes it easy to track business. For example, one $400 flyer produced $4,000 in business.

The tenth St. Market uses color stock and appealing graphics to promote everything from Secretary's Week to spring. Its envelope stuffers for desktop dining and corporate catering display the company logo prominently and tell the message directly: "You don't have to leave your office to have the best executive lunch in town."

Personal letters for both potential clients and follow-up also pay off. At her downtown Washington, DC, Vie de France bakery/cafe, general manager Sue Culp sends out welcome-to-the-neighborhood letters, often delivered with a bountiful tray of cookies and cinnamon rolls.

OFF-PREMISES MARKETING STRATEGY

New business sales

Getting the jobs

Define market

Develop marketing plan

Create:
- Logo, slogan
- Table tents
- Menus
- Brochures
- Letters
- Flyers
- Yellow Pages ad
- Cards, matches, napkins
- Direct mail pieces

Canvass for new clients:
- Scout the business area and office buildings
- Get business page leads

Make initial calls:
- Determine contacts
- Set up appointments
- Visit potential customers
- Bring menus, brochures, samples
- Invite to restaurant
- Make helpful suggestions
- Offer references

Network:
- Join/be active in civic, business organizations
- Establish contacts with top decisionmakers
- Build image and reputation in community

For ideas and help:
- Join trade groups
- Subscribe to trade publications
- Attend seminars
- Hire a consultant

For special attention:
- Sponsor civic/business events
- Host a special event for local media
- Send news items to food editors
- Write a column, a book
- Sponsor a charity event
- Host a bipartisan political event

Repeat and referral business

Performing well

Be punctual

Feature a presentation that shows quality, quantity, style, variety, cleanliness

Attend to all details

Act professionally

Be unobtrusive

Make clients guests at their own events

Make each guest feel he or she is number one

Handle any crisis calmly

Give a signature gift to each guest

Clean up everything

Following up

Make thank-you/assessment calls

Send follow-up letters

Send thank-you notes for referrals

Keep in touch

Telephone calls

Because of the flood of mail arriving at most offices, phone calls can often succeed where letters may fail. At the tenth St. Market one person spends 20 hours each week calling potential customers. A call is also made after each delivery to find out if everything was fine and to past customers who haven't been active for a while.

To succeed with telemarketing Haller maintains it is very important to find out who does the ordering. "Start at the top. If you start at the bottom, you waste a lot of time," she says. Haller calls the president of a company, explains her company's services, and then asks who should be contacted. She even will say, "Mr. President, I'd like to come and see you."

Josh Rosenblatt, a graduate of the Culinary Institute of America in Hyde Park, New York, opened his 12 Oaks Catering in Rockville, Maryland, in 1986, right on the doorstep of suburban corporate clients, such as IBM and Westat. He caters breakfast, brunch and lunch, which he delivers in his four-door Mazda.

In the afternoons he makes personal visits, leaves brochure menus with receptionists and invites them to his cafe. He says you have to be a good salesman to make an appointment for a formal presentation, but it can pay off.

Brochures, menus

When it comes to creating brochures and menus, "do as much as you can on instinct," urges Michael Roman.

"Be creative, be innovative," says Terri Woodard-Polster, "but also be sincere. Tell the truth about what you can do. Develop your logo, then do things you are comfortable with."

Relay your image, your specialties, your service and what you will deliver. Show "that something" that is your signature and distinguishes you from all others.

"Don't tell the world how great you are. People don't care how great you are. What they care about is if you are on time; they care about the quality, quantity, variety and presentation of your food. They care about sanitation, your professionalism and dependability," says Roman.

Performance

Most catering business is based on a firm's previous service. Roman says, unequivocally, that the greatest catering growth stems directly from referrals and repeat business.

Helen Wasserman, president of Helen's Too!, a catering firm in Washington, DC, relies 100 percent on her performance for repeat business and referrals at the highest corporate level—80 percent of her catering is corporate, up 25 percent over last year. "Every basket, every tray that goes out of here is beautiful," she says.

The unofficial rule of thumb is that one satisfied client generates nine potential new ones. Even before her staff gets back from an event, Wasserman says it is very common to have a call or two from someone who says, "I loved the food. I'd like to talk to you about an event I have in mind."

Yellow Pages ads

Advertisements in the Yellow Pages are described by many as a necessity. They are particularly important for referrals. When someone has learned firsthand or heard something good about a caterer but doesn't know the exact name to look for in the White Pages, it is either skim a few Yellow Pages or give up. (See story on Yellow Pages on page 34.)

DISTINCTIVE BUSINESS CATERING
La Prima
"VOTED ONE OF WASHINGTON'S BEST"
• Meetings • Receptions • Picnics •
• Same Day Orders A Specialty •
751-8664
NORTHERN VIRGINIA AND WASHINGTON

Clients are everywhere

When you think "business" business, don't limit it to corporations. Other prospects are fraternal, civic, political organizations; churches; schools; universities; museums; condo-development open houses; even senior-citizen complexes. Also, don't rule out take-out. It's an excellent way to send your brochure, along with your tasty food, back to the office.

And be creative in discovering new corporate clients. They are everywhere. Even, literally, up in the air. The Sub Division/Top Bananas Catering in West Palm Beach, Florida, found some of its most valued corporate clients—IBM, Merrill Lynch, Prudential Bache and J.C. Penney—flying out of Palm Beach airport on corporate jets.

The company got the idea one day to see the FBO (Fixed Base Operations) at the airport to put in—and win—bids for the corporate aircraft catering. Partner Ken Best says, "It is not so much competitive bidding as it is rapport with the pilots and stewardesses."

Typical business-catering clients are in office buildings; and their facilities run from conference rooms with full catering kitchens to no kitchen facilities at all, where everything has to be brought in. In all cases, though, service is the number-one requirement, followed by providing everything needed and cleaning up everything.

At Baker & Botts, a law firm with a 100-person staff in Washington, DC, Tanya Buttner orders the breakfast and lunch catering from La Prima, because she "knows their Rob!" "He is super nice, and on short notice we can count on him," she says.

However, for those special occasions, "when a deal will be made, and the lawyers know best what their clients will like," they have turned to Helen's Too! for years. "With our clients, when we have to be sure, we know what to expect. She is there on time and is very thorough," says Buttner.

Transitions

The transition from restaurant to off-premises catering can be difficult, according to the experts, but many, many make it. In fact, some restaurateurs do so well that they end up selling their restaurants to go into catering full time. ❑

The importance of the follow-up

One of the most crucial junctures in a caterer's relationship with a client is the follow-up period after an event. It is a time for completing the current business deal and building the goodwill that can lead to future business. At The Main Event & Co. in Irvine, California, the follow-up is carried out in a systematic fashion. "After the event," says Main Event Co-owner Bruce Warren, "we don't just give the client an invoice and say 'catch you later.' " Instead, the end of a function is the beginning of the follow-up process.

A Main Event employee calls the client on the business day following the catered event, asking how the event went and if there were any problems. "When you ask for somebody's opinion," says Warren, "they always say, 'You know, there was one thing . . . '. " According to Warren, "That one thing makes all the difference in the world. It's like the cherry on the hot-fudge sundae."

An even more detailed evaluation of each function is undertaken by the event's supervisor within 48 hours of the event. The supervisor fills out an "Event Evaluation Form" which breaks the event down into seven categories:

☐ equipment and delivery set-up (including visual impact)
☐ food preparation
☐ service
☐ beverages
☐ breakdown and clean-up and
☐ overall rating.

After the supervisor details information in these categories, the company's staff who worked the function fill out a similar form in which they can point out any operational problems. All this post-event evaluation helps The Main Event's employees learn from experience.

In the final part of the post-event process at The Main Event, the salesperson formulates a handwritten note of personal thanks that is mailed to the client. Special clients are indulged with a one-pound package of "ambrosia" coffee, which Warren describes as "almost a signature item."

Many firms follow up with a written questionnaire for their clients to fill out, but Warren says that The Main Event chooses to gather its client information by telephone. "A written questionnaire," says Warren, "is like an RSVP. They mean to return it, but they put it away and it gets lost."

This extensive follow-up system leads to better operations and a better rapport with clients. Some clients have a constant need for catered events. These clients may be asked, "Should we call you once a month to see if you have any catering needs?" Some may appreciate a caterer's willingness to help them while others may not want to feel pressured.

After an effective working relationship has been established with a client, an operator must consider the dilemma of having to save dates for a regular customer during a busy period or when a larger customer comes along. "You have to weigh what their business is worth to you," says Warren. "But it's a sin to take on a job you can't do well. It's better to leave a customer with a good impression of your last party than to take on too much business and do a poor job."

Warren says The Main Event tries to keep from having to say "no" to long-time customers by planning ahead for especially busy seasons. "We might call one of our regular customers and say, 'We have a busy September coming up, and you usually have a Thursday event in the middle of the month. Should we save that date for you?' Then if there's a conflict, we can ask the new customer to try to be flexible."

Following up with clients can begin even before the food gets cold. "All of our floor staff carry business cards at our events," says Warren. "And if a customer says we can put out business cards at a function, then we'd be foolish not to. But we don't make a practice of displaying our name anywhere. If people are moved enough to ask for a card, then we'll be glad to give them one."

Many catering owners circulate among guests at a function they are working since it is not uncommon to find others with catering needs at a catered event. "That's a good idea as long as it's one of the owners. Nobody can sell like the owner," says The Main Event's Warren. Warren himself, though, is usually behind the scenes at an event. "I am a very shy individual, so I'm usually in the background, washing dishes or something."

The best way to market your operation is to do a good job with your current clients, according to Warren. "Our research shows that of 100 guests at an event, between five and seven either call us or refer us to someone."

—Paul Moomaw

YELLOW PAGES

A Call to Customers

by Harriet S. Meyers

During the average month, eight out of 10 U.S. consumers, or 41.7 million people, eat at a restaurant at least once. How do they decide where to eat?

In 1986 and 1987 Chilton Research Services conducted a study of Bell Atlantic directory areas, which cover Washington, DC; Maryland; Virginia; West Virginia; New Jersey; Pennsylvania and Delaware. Slightly more than half of the adult consumers in this study said they look to the *Bell Atlantic Yellow Pages* when looking for a restaurant. About 90 percent then contact one or more of the restaurants seen, and they spend from $37 to $61.

The American Association of Yellow Pages Publishers (AAYPP) sponsored a similar study nationwide. More than one-third of the consumers who ate in a restaurant identified the Yellow Pages as a factor influencing where they decided to go. And these consumers spent an average of 54 percent more than those who did not refer to the Yellow Pages.

"Restaurants are one of the major advertising groups in Yellow Pages directories," says Robert Graham, president of Bell Atlantic Directories.

Why Yellow Pages

Yellow Pages directories allow businesses to zero in on a targeted audience by covering carefully determined geographic areas.

"Consumer shopping habits, telephone-calling patterns and advertiser preferences all help determine what area a directory covers," Graham of Bell Atlantic explains. "And as these characteristics change, directory coverage also changes. This means if the customer moves, the advertising can follow."

Another advantage is that an ad in the Yellow Pages reaches targeted audiences at the moment an advertiser wants to reach them—when they are ready to take action. Consumers who refer to the Yellow Pages are at the point of purchase and are ready to act.

An ad in the Yellow Pages reaches people in a reference they trust. A Whirlpool Corporation study showed that next to the recommendations of family and friends, people most often refer to the Yellow Pages for information on products and services they need.

"People who are new to an area reach for the Yellow Pages first," says Hubert Roetherdt, general manager of Evans Farm Inn in McLean, Virginia. "We find the Yellow Pages to be a worthwhile form of advertising."

Finally, Yellow Pages are available everywhere, every day. The directories are in homes, businesses, hotels, in every city and town. People know how to use them and are accustomed to relying upon them.

Where to advertise

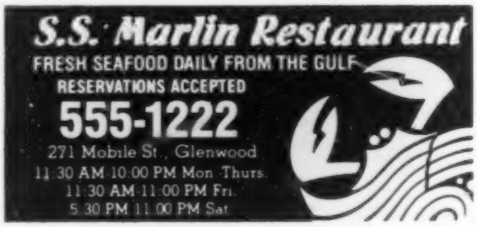
There is a proliferation of Yellow Pages directories being published today, which is causing confusion for some business customers. Many of these are legitimate; some are not. Those that are less than reputable send out solicitations designed to look like bills. Some even include the familiar "walking fingers" logo.

"Bell Atlantic charges for Yellow Pages advertising are included in the customer's regular monthly telephone bill," explains Bob Graham. "If there is a question, an operator should call the local business office or Yellow Pages salesperson."

When evaluating a Yellow Pages directory, ask about its track record (how long it has been published), its circulation (how many copies are published), the geographic area it serves and the customers it reaches (who gets the directory and how is it distributed, especially to customers new to the area). Also ask about directory use—how often people refer to the directory and the number of purchases they make—and advertising support. Find out if directory usage is promoted via television, radio and newspaper ads, billboards, direct mail or other sales promotions.

Designing an ad

When advertisers place ads in a Yellow Pages directory, the sales reps are ready to help design the ads in a way that sells the product or service. But it helps to be an informed buyer. There are five main ingredients to an effective ad: the headline, the copy, the name of the restaurant, the address and telephone number and the artwork.



S.S. Marlin Restaurant

FRESH SEAFOOD DAILY FROM THE GULF

RESERVATIONS ACCEPTED

555-1222

271 Mobile St., Glenwood

11:30 AM-10:00 PM Mon.-Thurs.

11:30 AM-11:00 PM Fri.

5:30 PM-11:00 PM Sat.

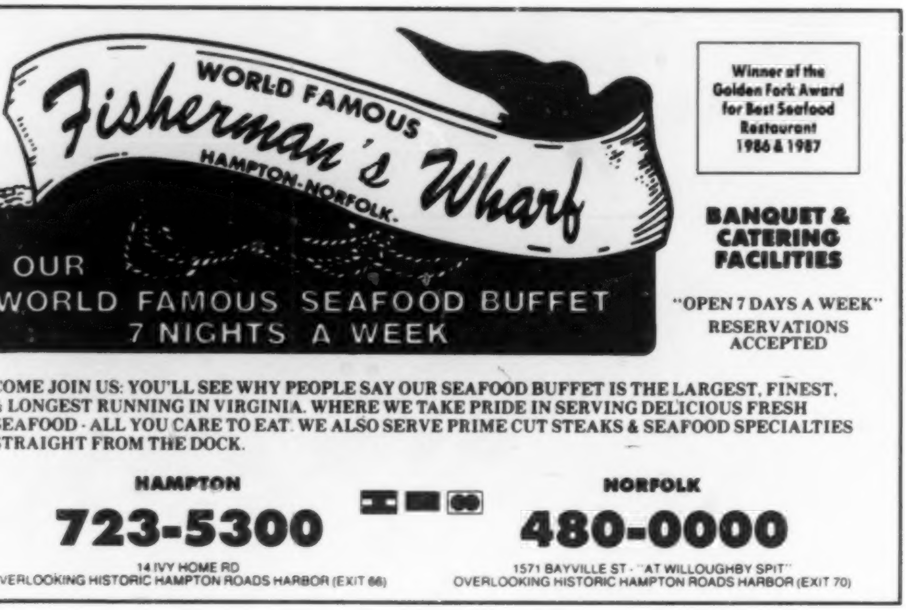
The purpose of the headline or title is to draw attention to the ad. The headline in an ad should not repeat the directory heading, such as "restaurant," because people have already read that heading. The ad title should be short and convey a message, such as "gourmet dining," "Italian cuisine" or "all-night service."

The body copy of the ad provides the information that will convince the reader to visit the restaurant. Ads should tell potential customers what products and services are offered, such as the type of food, hours, reservations and credit card acceptance, as well as such special features as piano bar, party rooms, valet parking and delivery options.

The name of the restaurant should be prominently displayed in the ad, as should its logo. And the address should be identified by landmarks or by neighborhood. The phone number should always stand out.

Artwork, such as line drawings, can attract attention to an ad. Drawings should be clear and simple so that they reproduce well when printed.

Harriet S. Meyers is a freelance writer and public relations consultant in Columbia, Maryland.



OUR
WORLD FAMOUS SEAFOOD BUFFET
7 NIGHTS A WEEK

Winner of the
Golden Fork Award
for Best Seafood
Restaurant
1986 & 1987

BANQUET & CATERING FACILITIES

"OPEN 7 DAYS A WEEK"
RESERVATIONS ACCEPTED

COME JOIN US: YOU'LL SEE WHY PEOPLE SAY OUR SEAFOOD BUFFET IS THE LARGEST, FINEST, LONGEST RUNNING IN VIRGINIA. WHERE WE TAKE PRIDE IN SERVING DELICIOUS FRESH EAFOOD - ALL YOU CARE TO EAT. WE ALSO SERVE PRIME CUT STEAKS & SEAFOOD SPECIALTIES TRAIGHT FROM THE DOCK.

HAMPTON
723-5300
14 IVY HOME RD
VERLOOKING HISTORIC HAMPTON ROADS HARBOR (EXIT 68)

NORFOLK
480-0000
1571 BAYVILLE ST - "AT WILLOUGHBY SPIT"
OVERLOOKING HISTORIC HAMPTON ROADS HARBOR (EXIT 70)

Type size and style will also have a big effect on how an ad looks. Highly readable type styles are best for the body copy. No more than two type styles should be used in one ad, since more than that tends to make ads look cluttered and decreases reading ease. However, different weights and sizes of the same type style can distinguish different parts of an ad; for example, the name and phone number might be in larger and/or bolder type than the body copy.

Color is available in some directories in the form of red, green, blue or black ink and can help bring attention to an ad. Color can emphasize key parts of the ad, such as the headline, telephone number and key body copy.

How to design a Yellow Pages ad

The American Association of Yellow Pages Publishers recommends the following hints when designing an ad:

Do:

☐ Consider the reader's point of view.
☐ Distinguish your restaurant from the competition.
☐ Make it easy for the reader to find you.
☐ Keep your ad clean and simple.
☐ Use lots of white space.

Don't:

☐ Use the name of your restaurant as the heading unless it's descriptive.
☐ Use more than two typefaces.

The layout of the ad should pull the key elements together in an interesting, easy-to-read manner. Spacing, sequencing, margins, boxes and illustrations are all tools that can increase the effectiveness of a layout. For example, since normal eye movement is from left to right, elements of an ad are most easily read in a "flush-left" pattern, that is, a straight left-hand margin.

How much do ads cost?

"Advertisers often ask me what size ad they should buy and which sections they should advertise in," says Mike Walsh, vice president and media director for Ketchum Communications in Pittsburgh. "The answer is that to be successful, you must meet your competition. It's a fact of life. Numerous studies have shown that if all your competitors are running display ads, you will lose business if your ad is smaller."

The cost of a Yellow Pages ad is determined by many factors, including the population of the market it covers and the size of distribution. Therefore, depending on where a business is located, costs may vary a great deal.

In the Bell Atlantic area, for example, there is no charge for including a business in the regular alphabetized listing in the Yellow Pages. Rates charged for display ads do vary, however, depending on the size of the ad and the distribution of the directory.

In the Washington, DC, Yellow Pages, a bold listing costs $8.25 per month and a one-quarter-page display ad costs $393 per month. The initial distribution of the directory is 565,000, with many more books given out to new customers during the year.

In Weston, West Virginia, a bold listing costs $3.50 per month, and a one-quarter-page display ad costs $56 per month. The initial distribution of this directory is 10,000.

Bell Atlantic bills customers monthly for Yellow Pages ads on their telephone bills. Advertisers are not billed until the directories are published.

How to track return on investment

Most advertisers in the Yellow Pages put a great deal of thought into what type of ad to buy, what to say and how to utilize their advertising budgets most effectively. Equally important is the time spent on tracking those advertising dollars to see whether the return on the investment is what it should be.

"Yellow Pages ads should be structured so you have a way to tell how your business is being generated," says Walsh. "If you know what business your ad is generating, you won't have to make decisions about your advertising budget blindly."

Keeping track of the effectiveness of ads is relatively simple. When new customers call or come in, ask them a few key questions, such as: How did you first hear about us? Did you see our ad in the Yellow Pages?

Another way to track whether customers saw the ad is to include a line of copy in the Yellow Pages, such as "Mention this ad and receive a free dessert."

"Over 90 percent of adults in our region use Yellow Pages directories during the course of the year, referring to them almost 32 million times a week," reports Graham of Bell Atlantic. "Purchasing a Yellow Pages ad is making an investment in your business which has been proven to pay off, again and again." ❑

Viewpoint

We've turned a legislative corner in 1988

Our commitment to an effective and aggressive government affairs program has been made painfully necessary by the constant intrusion of government into our business at all levels. Think of what's happened to us in the last several years—(1) tip reporting; (2) Social Security and unemployment taxes on all tip income; (3) cutbacks in the business meal tax deduction. Such congressional actions have become much more than a nuisance. They are affecting the profit-and-loss statement of every restaurant in the nation and are threatening our industry's health and possible survival.

But fortunately, foodservice entrepreneurs don't take adversity sitting down. We don't wring our hands and complain. We do something about it. We find answers.

The tally for 1988

Take a look at what we've been up against this year and how we've fared. I think you'll be impressed.

1. In the Senate, sponsors of the fast-food-ingredient-labeling bill have congratulated the industry for the way it has responded by providing nutritional information to customers. As a result, they have backed away from pushing their legislation. This turnaround is a result of good staff work and the excellent relationship communications committee chairman Paul Lazar (Wharf Tavern, Inc., Warren, Rhode Island) has developed with his Senator, John Chafee, who introduced the bill.

2. In the face of a strong push in the House labor committee for a higher minimum wage, we convinced the liberal members of that group to increase the tip credit from 40 percent to 50 percent. Those of you familiar with the House labor committee know that this was a stunning reversal to AFL-CIO and restaurant union lobbyists.

But our minimum-wage success didn't end there. At least three times the Democratic leadership scheduled their bill for a vote on the House floor, and finally postponed it indefinitely when they couldn't count enough solid votes to pass it.

3. Our industry teamed up with others in the business community to kill Senator Howard Metzenbaum's occupational disease notification bill.

4. We helped stir enough controversy over the Kennedy mandatory health insurance bill that it was not even brought to the Senate floor for discussion. At a cost estimated at over $1,500 per employee per year, this legislation would have done more harm to our industry than all previous legislation directed at the industry put together. On a personal note, Massachusetts was the first state in the country to adopt mandated health benefits. We have calculated that this will cost an average franchisee in the state between one-third and one-half of his or her annual profits.

5. When it looked like lie detectors were going to be banned, we worked behind the scenes to preserve the right of employers to use polygraph testing for incident-specific purposes.

6. Even though legislation passed that requires employers to give 60 days' notice before closing a business, we succeeded in amending the bill to the point where only an estimated 2 percent of our members will be affected.

7. We averted a surprise attack on the business-meal deduction when Senators Bill Bradley and Barbara Mikulski proposed to phase it out for individuals and unincorporated businesses to pay for welfare reform. Although the amendment passed the Senate, we successfully stopped it in the congressional welfare conference.

8. We have played a large part in delaying the popular parental-leave bill so that it is unlikely to be enacted by this Congress.

9. And finally, turning to the minimum-wage bill, our association has taken the lead on two fronts:

A) Our staff, employing the talents of former Senator Russell Long of Louisiana, has built a strong bipartisan majority in support of an amendment to increase the tip credit to 50 percent. Thanks to the persuasiveness of our new director Bill Leichsenring (Main Street, Amana, Iowa) and Iowa Restaurant Association Executive Vice President Lester Davis, our lead sponsor on tip credit is Senator Tom Harkin, an Iowa Democrat.

B) But perhaps the most remarkable thing of all is the pressure brought to bear by our association, along with others in the small business and retail sectors, who strung out debate on minimum wage and finally blocked its consideration this year. So now the defeat of the minimum-wage increase no longer looks like "Mission Impossible." How many would have believed this a year ago?

Whether we defeat the bill or force a passable compromise, there is no question the Association has had its impact on this legislation.

Government affairs: number-one priority

Let me give you an idea of how we have accelerated our government affairs effort to the point where these kinds of accomplishments are now possible. Above all, our Board has made an effective government affairs operation the association's highest priority.

We have not only contin-

These remarks by Bob Rosenberg, chairman of the board of Dunkin' Donuts in Randolph, Massachusetts, were delivered to the Government Relations Committee during the fall meeting of the National Restaurant Association Board of Directors in Washington, DC. Rosenberg is chairman of that committee.

by Robert "Bob" Rosenberg

ued to hire the staff and consultants required to do the job, but we have also created, in a very brief period, one of the best grassroots programs of any industry association.

The key contact program, which has been the foundation of our grassroots political action, has grown this year from 270 restaurateurs in January to 600 in September. As a result, the association has constituent contacts with 429 of the 535 members of Congress.

Using telemarketing and electronic mail, the staff has generated 102,000 mailgrams from our members to the House and Senate in opposition to the Kennedy minimum-wage increase. We also sent 7,000 mailgrams against the Bradley business-meal-deduction amendment to 56 members of the tax committee.

The government affairs staff has paid hundreds of visits to Capitol Hill to discuss a variety of issues. And it has organized more than 300 meetings between restaurateurs and their legislators, both in home districts and in Washington. Most of these meetings have focused on minimum wage, tip credit and parental leave.

Taking the initiative in 1989

This leads me to a few thoughts about our legislative program for 1989 and the 101st Congress. It is safe to say that no matter who is elected President in November, the foodservice industry will again be under pressure from organized labor because so much of its agenda was defeated or delayed this year.

- ☐ We have to take the initiative to protect—and possibly restore—the full tax deduction for business meals and entertainment.
- ☐ With the help of state restaurant associations, we must work to reintroduce House and Senate bills to repeal the FICA tax on tips.
- ☐ We must lobby to make the Targeted Job Tax Credit (TJTC) program a permanent part of the tax code.
- ☐ We have to take the offensive on health care and child care issues, and we must work to change the terms of debate so Congress is talking about providing employer incentives—not employer mandates and penalties.

These are only a few of the issues we can influence to our industry's benefit if we think proactively and get full participation from our grassroots network.

I'm excited about what we've accomplished this year, and I hope the excitement is catching, because we need your help to be even more influential in the year ahead. ☐

1988 U.S. Team goes for the gold at culinary "olympics."

Two years of gruelling practice sessions are almost over. Recipes have been revised, then revised again, adding an ingredient here and perfecting a cooking method there. At long last, the 14 chefs and two sous chefs who make up the 1988 U.S. Culinary Team are ready for the ultimate challenge of their professional lives—the 17th International Culinary Competition, often referred to as the culinary "olympics," held in Frankfurt, West Germany, October 16-20, 1988.

The competition, to be held at the Messegelaende, Europe's largest single exhibition area, is a central part of the IKAHOGA, the largest culinary art exhibition and fair of its kind in the international restaurant and hotel industry. The U.S. Team's participation in the "olympics" is made possible by the 1988 U.S. Culinary Team Foundation, which operates under the auspices of the American Culinary Federation and the National Restaurant Association.

The 1988 U.S. Culinary Team members are going to Frankfurt as defending gold-medal champions, having placed first in 1980 and 1984 in the hot food competition—considered the most difficult and prestigious part of the "olympics." (The U.S. Team is the only team in the history of the event to win the hot food competition two times running.)

In Frankfurt, the 1988 U.S. Team will compete against teams from 33 nations in three major areas of competition: hot food, in which dishes are prepared from scratch in on-site kitchens; cold platters; and hot food displayed cold.

An international panel of judges will evaluate the competing teams' entries and will award gold, silver and bronze medals in each category as well as overall gold, silver and bronze medals.

"The 1988 U.S. Culinary Team is comprised of America's most gifted chefs," says Ferdinand E. Metz, manager of the 1988 team and president of the Culinary Institute of America. "For these men and women, the Frankfurt competition represents an opportunity to educate the world about the excitement and sophistication of American cuisine. The U.S. Team's performance in Frankfurt will determine our nation's reputation in the international culinary arena for years to come."

—*Anne Papa*

If you want America to keep its competitive edge, do something about it.

Support America's colleges. Because college is more than a place where young people are preparing for their future. It's where *America* is preparing for *its* future.

If our country's going to get smarter, stronger – and more competitive – our colleges and universities simply must become a national priority.

Government. Business. And you. We're all in this together. Because it's *our* future.

So help America keep its competitive edge with a gift to the college of your choice – and you'll know you've done your part.

Give to the college of your choice.

FISHER'S LAW

#94

The outerview

Most people have gone through an interview at least a few times—either being the interviewer (a power broker) or the interviewee (a power seeker). Interviewers look for the "right stuff" in the persons they speak with, and interviewees look for the "right match" in an organization to meet their needs and fulfill their objectives.

I've often wondered what would happen if this process were turned inside out. Here are the questions I suspect would be asked as part of the *outerview* process.

1. Tell me about your major irresponsibilities in your past positions.

2. Are you able to stretch out your assignments over the longest possible time so that others will lose interest and forget about them?

3. Do you have the ability to fully coordinate abandoned projects?

4. Can you set and maintain consistently low standards?

5. Are you good at training others in how not to do things?

6. Are you more adept at practicing the SAM theory (Sit-Around Management) or the RAM theory (Run-Away Management)?

7. Are you comfortable terminating subordinates, exterminating peers, confounding superiors and insulting customers?

8. Are you skilled at distorting facts and omitting key details in the decision-making process so that others come to the incorrect conclusion you want them to arrive at?

9. Can you overwrite reports, letters and memos to make them so lengthy and dull that your key points get lost in the welter of words?

10. Do you have a good track record of minimizing revenues, maximizing expenses and shrinking the bottom line?

11. Do you have the ability to talk out of both sides of your mouth at the same time, so that when you are finished, others don't know what you've said?

12. Do you possess a venom-filled, forked tongue?

13. Are you insensitive, callous, unfeeling, uncaring, intimidating, vengeful and threatening to your subordinates? And to customers?

14. Are you perpetually the last to arrive and the first to leave?

15. Can you deflate, repudiate, excoriate and demotivate those who have better ideas than you do?

16. Do you attract arrogant, garrulous, pompous, slippery phonies?

17. In critical meetings, can you be suitably inattentive, irritable, disdainful, haughty, cynical, morose and comatose?

18. Are you able to overlook important details so that matters can get well out of hand?

19. Can you tiptoe perilously close to the edge of the law?

20. Do you acknowledge that morality has no place in an organization, that a code of ethics should exist only on paper that's kept in a safe, that esprit de corps should thrive only among the rank and file, and that the only culture worth having is the wall-hanging in your office?

21. Can you think nonstrategically and nontactically as part of a nonplanning process, so that the organization can go from here to nowhere?

22. Do you place little faith in market research, regarding it as a fantasy science and an irrelevant function?

23. Do you possess considerable self-doubt, insecurity, a pliable backbone, anxiety to the degree of inaction and a tendency to be sick at critical times?

24. Can you be alternately sullen and hyper, withdrawn and gregarious, humorless and humorous, static and dynamic, and downtrodden and upbeat?

25. Can you continually change direction, thrust and targets with your advertising messages, so you can shotgun the marketplace?

26. When activity is on the upswing, are you fully prepared to slash training programs so new employees can "go operational" immediately to get the feel of the real world?

27. Are you prepared to work on the trailing edge of technology?

28. Do you give 50 percent of yourself to the job at all times?

29. Do you realize your outside interests are much more important than your work?

30. Do you cringe in the face of adversity, deny facts and shift blame to the nearest available coworker?

31. Do you possess the leaderless qualities of obsequiousness, kowtowing and sycophancy?

32. Can you come to regard quality assurance as cost-inefficient, unnecessarily burdensome and nonessential?

33. Is it within your capability to overrule every decision your subordinates make, to chastise them unmercifully and to remove every vestige of their dignity and self-respect?

34. Can you act before you think?

35. When an extra effort is called for, are you the first to whine and then duck?

36. Do you position yourself prominently in photos so that you overshadow everyone else in the picture?

37. Are you careful to bring all your business problems home and all your personal problems to work?

38. Can you spel, write gud, speak gud and gesture wildly when it's not appropriate?

39. Can you be nonchalant about deadlines, performance evaluations and reporting procedures?

40. Can you accept and fortify underhandedness, double-dealing, internal intrigue and deceit?

41. Can you quickly misread a financial report so you won't spot any problems?

42. Do you seek to travel as much as possible on nonessential trips?

43. Are you good at obscuring little extras on your expense-reimbursement form?

44. Are you equally adept at shooting from the hip and shooting from the lip?

45. Does the room brighten up when you leave it?

Fisher's Law #94. When you find people who pretty well match this "outerview" profile, recommend them to your competitors.

Lunch takeout grows 19 percent in five years

Between 1982 and 1987, lunch was second to dinner in takeout traffic growth. Both quickservice and upscale restaurants had solid increases in customer counts. According to a special National Restaurant Association CREST survey, midday off-premises dining has found particular appeal among singles, 25 to 49-year-olds, yuppies and affluent, traditional families.*

From 1982 to 1987, restaurant takeout traffic during lunch climbed 19 percent, outdistancing the 4 percent increase over the same period for on-premises traffic. As a result, the percent of off-premises occasions for lunch has risen from 34 to 37 percent.

However, lunch takeout growth fell behind that of dinner, which was up 49 percent between 1982 and 1987. Overall, lunch contributed to 31 percent of all takeout occasions in 1987.

It is worth noting that customers are purchasing takeout lunches more often on weekends. Between 1982 and 1987, takeout for lunch on the weekend jumped 30 percent, more than double the 14 percent advance for during-the-week occasions. These increases mirror the overall trend towards buying more takeout on the weekend. Over the five-year span, total weekend takeout traffic leaped 40 percent, compared to 20 percent for weekdays.

Quickservice drives growth

Quickservice restaurants dominate the lunch takeout market, both in terms of traffic growth and traffic share. Between 1982 and 1987, lunchtime off-premises traffic rose 24 percent, the highest percentage gain among the three primary restaurant segments. In 1987 nearly nine out of 10 lunch takeout occasions came from quickservice establishments.

Certain concepts within the quickservice segment have seen substantial increases in lunch takeout.

Use of lunch takeout by demographic group in 1987

Singles and yuppies enjoy lunch takeout

Demographic group	**Index***	**Percent of occasions**
Affluent singles	243	7%
Yuppies	183	8
Low/mid-income singles	164	11
Affluent traditional families	112	14
Affluent empty nesters	102	7
Single parents	97	5
Working parents	97	9
Low/mid-income empty nesters	85	10
Low/mid-income, traditional families	78	23
Single, active elderly	74	2
Married, active elderly	57	2
Seniors 75 years old	51	2

Average use = 100

Source: National Restaurant Association CREST Survey

Retail establishments, in particular, have attracted the attention of the lunch takeout buyer. Takeout traffic for lunch at convenience stores has also increased—tenfold since 1982—and grocery stores have experienced a threefold gain in takeout occasions over the same period.

There has been rapid growth for lunch takeout at pizza restaurants as well. Customer counts more than doubled between 1982 and 1987. Next to sandwich restaurants, pizza places hold the greatest share of all lunchtime takeout occasions (9 percent in 1987).

Quickservice ethnic restaurants are playing a

It is worth noting that customers are purchasing takeout lunches more often on weekends.

Use of lunch takeout by income group in 1987

Upper-income households are heavier users of lunch takeout than lower income groups

Rank	**Household income**	**Index***	**Percent of takeout occasions**
1	$40,000+	109	25%
2	$30-40,000	109	21
3	$20-30,000	101	24
4	$15-20,000	98	9
5	$10-15,000	91	12
6	Under $10,000	77	9

Average use = 100

Source: National Restaurant Association CREST Survey

**CREST stands for Consumer Reports on Eating Share Trends, a diary survey conducted by one of the NPD marketing and research companies.*

greater role in the midday off-premises market. Takeout traffic for lunch has more than doubled at Asian restaurants, and it has shot up 65 percent at Mexican establishments. Despite this rapid growth, sandwich restaurants, which include hamburger operations, remain the undisputed leader of the lunch takeout business. These establishments recorded a 19 percent increase in lunchtime takeout growth between 1982 and 1987, and they accounted for nearly half of noontime takeout occasions in 1987.

Greater interest in upscale lunch takeout

Upscale restaurants are drawing in takeout customers in greater numbers.

Lunch takeout visits at these operations have risen 13 percent since 1982, ahead of the 8 percent gain for all upscale takeout traffic.

Upscale Italian and Asian restaurants have watched their number of lunch takeout visits go up by 70 percent between 1982 and 1987.

Upscale Italian and Asian restaurants have performed especially well in terms of traffic increases. Both types of restaurants have watched their number of lunch takeout visits go up by 70 percent between 1982 and 1987. Nonetheless, upscale restaurants capture only a small share of the lunch takeout market. They accounted for just 1 percent of all lunch takeout traffic during 1987.

Traffic growth at lunch

Off-premises traffic is rising at quickservice and upscale restaurants but falling at midscale establishments

	1982/87	
	Percent change in off-premises traffic	**Percent change in on-premises traffic**
All restaurants	**19%**	**4%**
Quickservice restaurants	24	20
Midscale restaurants	−15	−15
Upscale restaurants	13	5

Source: National Restaurant Association CREST Survey

Ethnic lunch takeout popular at midscale operations

Although they have experienced a 15 percent decline in lunchtime takeout counts since 1982, midscale restaurants accounted for almost 9 percent of all lunch takeout occasions in 1987.

Midscale ethnic restaurants are leading the way in the segment's takeout performance. Midscale Italian restaurants have watched their number of lunchtime takeout visits more than double between 1982 and 1987, and midscale Asian restaurants have experienced a 15 percent increase during the same period.

Contributing to the overall decline of lunch takeout at midscale restaurants has been a 10 percent decrease in traffic at barbecue restaurants.

A single's thing to do

Ordering lunch to go is fast becoming a habit with singles. Among households, singles showed the greatest proclivity by far to purchase lunch takeout. In fact, although they accounted for only 15 percent of total occasions for lunch takeout in 1987, singles were more than twice as likely as individuals from larger households to order lunch to go. Two-person households also showed above-average lunch-takeout usage.

Three to four-person households showed a slightly below average frequency of lunch takeout purchases, although among all household sizes, they accounted for the largest share of lunch takeout visits—42 percent in 1987.

Appeals to young adults

Not surprisingly, takeout has gained a following among young adults, who generally dine out quite frequently. In 1987, 25 to 34-year-olds were the most frequent users of takeout, followed by 35 to 49-year-olds. More than half of all lunchtime off-premises visits consisted of individuals from these age groups. Eighteen to 24-year-olds also reported above-average use of lunch takeout in 1987, and they accounted for 12 percent of eater occasions. Children under the age of 17 and adults over 50 years of age were the least frequent buyers of lunch takeout.

Popular with higher incomes

According to the association's special CREST survey, eating lunch off-premises is a popular activity among higher-income households. Among all income groups those households in the $30,000 to $40,000 and $40,000+ annual income brackets were the most frequent users of lunch takeout in 1987 and, combined, accounted for 46 percent of takeout occasions. In addition, frequent lunch takeout eaters were likely to have a college degree and a white-collar career. In contrast, blue-collar workers and lower-income and lesser-educated groups showed a below-average propensity to buy lunch to go.

Among lifestyle groups, affluent singles, yuppies and low to mid-income singles were the most frequent buyers of lunch takeout in 1987. Affluent traditional families and empty-nesters also reported above-average use of lunch takeout. On the other hand, elderly groups and low to mid-income, traditional families and empty-nesters showed the lowest propensity to buy lunch takeout.

In sum

Lunch has gathered momentum as a mealtime when consumers are purchasing their meals to go. Quickservice and upscale establishments have moved in to meet this need, and since 1982, certain concepts in these segments have dramatically boosted their counts for takeout lunches.

—Sebastian O'Kelly

Foodservice in the year 2000

What role will major foodservice chains play in the industry in the year 2000? Will competition be more or less intense? How will the industry work force be different? What will occur in the government regulation arena as the foodservice industry enters a new century?

In an effort to assist restaurant operators with long-term planning, the National Restaurant Association embarked on a futuristic study early this year to look at what the foodservice industry will be like at the turn of the century. The result is the association's new *Current Issues Report: Foodservice Industry 2000.* Research for the report was carried out using a technique known as the Delphi method.

What is the Delphi method?

The Delphi approach uses a panel of industry experts to identify and analyze issues by subjective judgment. The method has been found to work well when the topic being investigated does not lend itself to precise analytical techniques.

One of the most important aspects of conducting a Delphi study is the selection of the panel of experts. Fortunately, finding a highly qualified panel of experts for this study of the industry's future was easy—the National Restaurant Association Board of Directors. These individuals are well equipped to provide astute judgments about conditions in the foodservice industry in the year 2000.

To complement the points of view of the association's directors, a variety of other foodservice experts were invited to join the Delphi study panel. These included quality assurance, finance and training executives as well as architects, engineers, educators, executive chefs and consultants.

Topics covered

Specific topics covered in depth by the Delphi panel and presented in the *Current Issues Report: Foodservice Industry 2000* include:

☐ Industry structure
☐ The work force
☐ Food, menus and marketing
☐ Government
☐ Facilities, operations and technology
☐ Finance and costs
☐ External issues, including the environment, international developments, social and ethical concerns, the economy and consumers.

In addition, a comprehensive bibliography listing more than 50 research sources related to the future of the foodservice industry is included with the report.

Study highlights

☐ Competition in the foodservice industry will be more intense at the turn of the century, but growth is expected to continue.

☐ Independent operators and entrepreneurs will be the main source of new restaurant concepts.

☐ Major foodservice chains will increase their share of both sales and units.

☐ Productivity will be emphasized, but the industry problem with employee turnover will still remain an issue.

☐ The foodservice industry will have an increased need for training and developing its employees. Hotel, restaurant and institutional degree programs will become more comprehensive.

☐ Government efforts to regulate the industry will intensify, particularly in the areas of sanitation, food handling, waste disposal, wages and benefits.

☐ Nutritional concerns will be critical at all types of foodservice operations, and food flavors will be important.

☐ Service will become a more important point of differentiation.

☐ Environmental concerns will receive increased attention.

☐ Higher tax levels, for both individuals and businesses, will be in effect.

☐ Restaurant design will be more flexible and will incorporate a wide variety of technological advances.

☐ The foodservice industry will become more international, with U.S. operators entering new foreign markets and foreign operators penetrating the U.S. market.

☐ AIDS and an aging population will be among the top social/ethical concerns.

☐ Consumers will spend a greater proportion of their food dollar away from home.

☐ More restaurants will be leasing rather than owning their land and buildings.

☐ Payroll and benefit costs will consume a larger proportion of the restaurant industry's sales dollar.

—Hudson Riehle

How to order the report

Copies of the *Current Issues Report: Foodservice Industry 2000* (CI850) are available to members for $3 and to nonmembers for $10. All orders must be prepaid.

You may order the report by sending a check or money order to the National Restaurant Association Publications Department, 1200 17th St., N.W., Washington, DC, 20036. *Note:* Washington, DC, residents must add 6 percent sales tax to their order. Illinois residents must add 7 percent, and residents of Chicago must add an extra 1 percent, making their total sales tax 8 percent.

For orders below $20, include $2 for postage and handling. For orders over $20, add 10 percent to the total cost for postage and handling.

If the order exceeds $10, credit-card orders are accepted over the phone by the association's information service and library in Washington, DC. Call between 9:00 a.m. and 5:00 p.m. (Eastern Standard Time) at 1-800-424-5156 or (202) 331-5960.

Fish orders are tailing off

Fish is not living up to its menu promise. Although certain types of fish have grown in popularity at restaurants, the total number of fish orders has dropped since 1982.

Age of the frequent fish diner

Fish has greater appeal among older diners

Age group	Index*
65 to 75 years	188
55 to 64 years	174
45 to 54 years	148
75 years and older	138
35 to 44 years	112
25 to 34 years	93
18 to 24 years	61
6 to 17 years	37
Under 6 years	30

**Average use = 100*

Source: *NPD/CREST 1986 Food/Beverage Report*

With its perceived benefits of freshness, diversity and health, fish has caught the attention of the American public. Consumers are eating more fish than ever before—but not in restaurants. According to the National Marine Fisheries Service, per-capita fish and shellfish consumption reached a record 15.4 pounds in 1987, up from 12.3 pounds just five years before. However, CREST data shows restaurant fish orders declined 3.3 percent during that same period.

Per-capita consumption of fish and shellfish

Americans are eating more fish than ever before

Year	Pounds
1982	12.3
1983	13.1
1984	13.7
1985	14.4
1986	14.7
1987	15.4

Source: National Marine Fisheries Service

Between 1982 and 1987, fish-eating occasions dropped from 6.2 percent of all restaurant occasions to 5.2 percent. This trend continued in 1987, when the total number of restaurant fish orders fell by 1.7 percent from its 1986 level. This decline included both fried and baked/broiled varieties. Fried-fish orders dropped 4.7 percent while baked/broiled fish orders dipped 3.4 percent. Increased consumer concern over the health effects of fried foods may help to explain the decline.

However, certain types of fish have seen order increases. Shellfish continues to gain in popularity; restaurant shellfish orders rose 4 percent in 1987. Also, shellfish was the only type of fish to show an increase in orders across all three of the major industry segments. The advance in shellfish purchases is largely due to the popularity of shrimp. In 1987 per-capita consumption of shrimp reached a record 2.3 pounds—up from 1.5 pounds in 1982. Restaurant customers also found fish sandwiches more appealing in 1987; purchases rose 4 percent.

Quickservice fish orders down

Among all segments, lagging interest in fish purchases was most apparent at quickservice establishments. This segment recorded a 3.3 percent decline in the number of fish orders in 1987. Fish accounted for only 2.1 percent of total quickservice occasions, down from a high of 2.9 percent in 1982. And among all segments, fish was least likely to be ordered at quickservice restaurants.

The sustained decline of fried fish, which saw a 5.8 percent order decrease in 1987, contributed to the overall drop in the fish orders at these establishments. Nonetheless, fried fish remained the item of choice among quickservice fish eaters, accounting for nearly three-quarters of quickservice fish-eating occasions in 1987. But this may be changing. Certain types of fish attracted greater interest among quickservice patrons in 1987. Orders for shellfish were up more than 20 percent, and fish-sandwich purchases were up 0.7 percent.

Midscale orders steady

The number of fish orders at midscale restaurants in 1987 was virtually equal to the number of orders in 1982. However, taking into account the fact that overall midscale customer traffic has declined since 1982, fish has actually enjoyed a gain in popularity at midscale establishments. In 1987 fish accounted for 9.1 percent of all midscale occasions, up from 8.7 percent in 1982.

In fact, restaurant customers purchasing fish in 1987 were most likely to place their orders at a midscale restaurant. These establishments accounted for more than 40 percent of all fish purchases.

Even so, midscale fish orders decreased a modest 0.3 percent in 1987, largely because of a decline in the number of fried and broiled/baked fish purchases—3.0 percent and 0.3 percent, respectively. Counteracting these decreases were advances of 2.7 percent in shellfish orders and more than a 20 percent increase in fish-sandwich purchases.

Fish most popular at upscale restaurants

Although the appeal of fish has dropped in recent years, fish items have the largest share of orders at upscale restaurants. In 1987 20.5 percent of upscale occasions included fish, down from 22.9 percent in 1982. There was no change in number of purchases between 1986 and 1987.

Shellfish accounted for 11.3 percent of all upscale occasions and more than half of upscale fish orders in 1987, solidifying its position as the favorite upscale seafood item. Broiled/

baked fish, the second most popular type of fish at upscale restaurants, dropped 3.6 percent in number of purchases, as its share of upscale occasions fell from 8.0 percent in 1986 to 7.6 percent in 1987. Upscale fried-fish orders also declined in 1987, falling 1.5 percent.

Slow, steady growth

Traffic at seafood restaurants has undergone slow, steady growth since 1982. From 1982 to 1987, customer counts at seafood restaurants advanced 6.6 percent. Traffic growth has been solid in all three segments, climbing 7.2 percent at quickservice, 6.3 percent at midscale, and 5.8 percent at upscale seafood operations. 1987 was a particularly healthy year for seafood restaurants. Customer visits rose a robust 3.9 percent, despite a 1.7 percent decrease in total fish orders.

Fish servings at seafood restaurants

Consumers were less likely to order fish in 1987 than in 1982

	Percent of fish-eater occasions	
	1982	**1987**
Quickservice seafood restaurants	76%	72%
Midscale seafood restaurants	79	75
Upscale seafood restaurants	83	80

Source: NPD/CREST: *Annual Household Report* 1982, 1987

This bright picture can be deceiving, however, since seafood restaurants have protected themselves against any diminished interest in fish by diversifying their menus. The percentage of seafood-restaurant visits in which fish items were bought has actually fallen in all three segments since 1982. In 1987 fish made up 72 percent of all occasions at quickservice seafood restaurants, down from 76 percent in 1982. Similar declines were recorded for midscale and upscale seafood houses. Offerings of chicken/poultry, main and side-dish salads and hot/cold sandwiches have all gone up at seafood restaurants since 1982.

Fish to go

Seafood restaurants have benefited from the takeout boom, although their participation in the takeout market is limited when compared to that of some other restaurant concepts. Between 1982 and 1987, the number of visits involving takeout at quickservice seafood restaurants rose by nearly 12 percent, almost double the rate recorded by these restaurants for total traffic growth. Still, the increased use of takeout at quickservice seafood restaurants was less than the 28 percent gain in off-premises counts for all quickservice restaurants.

Also, quickservice seafood customers were more likely to eat their purchases on the premises than to take it out for consumption. Among all quickservice restaurant concepts, seafood restaurants had the highest percentage (62 percent in 1987) of on-premises fish-eating occasions. In comparison, only 41 percent of all quickservice visits involved on-premises consumption in 1987.

Midscale and upscale seafood houses have played a limited role thus far in the takeout market. In 1987, on-premises visits accounted for 86 percent of all midscale occasions and 96 percent of all upscale seafood visits. These percentages were very close to the 86 percent and 94 percent reported for all midscale and upscale establishments.

Rising prices

Strong consumer demand has boosted the price of fish in the last several years. These price increases have occurred despite gains in the supply of fish from bountiful harvests. U.S. commercial landings of fish and shellfish reached 3.9 billion pounds in 1987—its highest total in the last decade. Still, the Producer Price Index (PPI) for fish and shellfish rose 12.1 percent in 1987, following a 9.0 percent increase in 1986. As a result, there has been pressure on seafood restaurant operators to hike menu prices.

Check sizes at seafood restaurants have shown above-average increases in all segments. Between 1984 and 1987, quickservice seafood restaurants recorded a 9.2 percent jump in the average per-person check—almost double the 5.4 percent rate for all quickservice restaurants. Over the same period, the average check size rose 12.6 percent at midscale seafood restaurants, compared with 9.5 percent for all midscale restaurants. The largest check-size advances were reported at upscale seafood restaurants, which saw a 14.9 percent increase in the average per-person check—more than double the 6.5 percent rate for all upscale restaurants.

With average checks at seafood restaurants posting relatively large gains, customers may well be resisting these price increases by eating less fish away from home, which could explain why fish orders have tailed off.

—*Sebastian O'Kelly*

Profile of a fish diner

There is a marked difference between the typical restaurant patron and the typical seafood diner, especially in age. Older customers are much more likely to order fish than are younger patrons. In 1986 individuals 45 years old and older represented 53 percent of all restaurant occasions in which fish was consumed. In contrast, they accounted for only 34 percent of all eater occasions.

In terms of frequency of ordering fish, 65 to 74-year-olds are at the top of the list, followed closely by 55 to 64-year-olds. Children under 17 were the least likely age group to consume fish in restaurants.

A further demographic breakdown shows that seafood restaurants are most popular with lower-income households. In 1987 households with incomes below $15,000 a year accounted for 31 percent of all midscale seafood restaurant visits, compared to 26 percent for all midscale restaurants. Both quickservice and upscale seafood establishments also experienced a greater percentage of visits from lower-income households than did the average quickservice or upscale operation.

Other groups that showed above-average inclination to frequent seafood houses include blue collar workers, three to four-person households, minorities, the unemployed and the less highly educated.

Foodservice Market Measure #2, July 1988

The "Foodservice Market Measure" indicates that fewer adults patronized foodservice outlets in July than in June.

Although the "Market Measure" is only two months old and it will take some time before a monthly pattern emerges, hot weather in some regions of the country and summer vacation schedules probably explain why restaurant patronage was off substantially in July for snacks and dipped for lunch as well.

Forty-three percent of all adults, or about 79 million people, were foodservice customers on a typical July day, compared to 85 million in June.

The proportion of adults eating on the premises at a restaurant, fast food place, cafeteria or another establishment where they purchased a meal or snack was down from 32 percent in June to 30 percent in July. This small decline can be attributed to fewer patrons for snacks and lunch.

In contrast, on-premises patronage for breakfast and dinner appears to have increased. In some places this could be related to efforts to escape from the heat and humidity by going to an air-conditioned restaurant rather than heating up the kitchen at home. For instance, the data suggest on-premises dinner patronage among Midwesterners was up from June to July.

There is also little to cheer about in the off-premises numbers for July. With small declines at all meal periods, patronage for takeout or delivery was down from 18 percent of all adults on a typical day in June to 16 percent in July.

Overall, on-premises customers accounted for 69 percent of the total in July versus 31 percent for off-premises customers. The on-premises proportion is slightly higher than June's 67 percent.

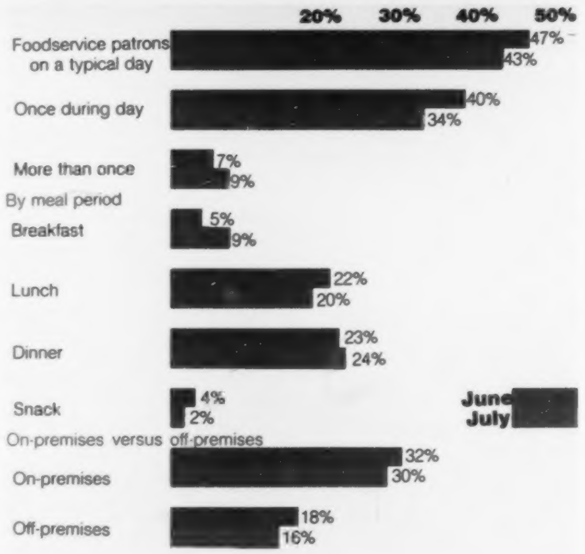
Frequent versus infrequent customers

In July, 56 percent of adults did not visit a foodservice establishment on a typical day, up from 52 percent in June. The remaining adults—44 percent—patronized a foodservice outlet one or more times during the typical day.

Although the vast majority who patronize foodservice outlets do so just once on a typical day, there are customers who purchase two or even all three of their meals away from home. Patronage by these multiple-visit customers increased in July. Those who ate all three meals away from home accounted for about 12 percent of adult customers on a typical day in July. Those who purchased two meals accounted for an additional 21 percent, and those who purchased a single foodservice meal or snack represented 65 percent of all adult customers. These percentages indicate that repeat users are indeed important customers.

—Susan Mills

Percent of adults who were patrons on a typical day



Source: National Restaurant Association, Gallup Survey

Percent of adults who ate out on a typical day in July 1988 by frequency of visits

Repeat customers represent a 35 percent share of restaurant patronage

Number of occasions away from home	Percent of foodservice patrons	Share of total patronage
One meal or snack	80%	65%
Two meals	13	21
Three meals	5	12
Don't know	2	2

Source: National Restaurant Association, Gallup Survey

Foodservice Market Measure

The Foodservice Market Measure is based on 1,000 telephone interviews, conducted by the Gallup Organization each month, with a nationally representative sample of adults age 18 and older. Each person is asked the same questions:

1. Which of the following did you do yesterday?

☐ Ate on the premises of a restaurant, fast food place, cafeteria or any other place where you purchased a meal or snack, or

☐ Purchased takeout food "to go" or had it delivered.

2. Was the food you ate on premises yesterday for breakfast, lunch, dinner or a snack?

3. Was the takeout food you purchased or had delivered for breakfast, lunch, dinner or a snack?

The monthly tracking of purchases is supplemented with quarterly inquiries on topics of industry interest, such as smoking versus no-smoking sections, tipping versus service charges, or nutrition concerns.

1 NEW ENGLAND

Location: Portsmouth, NH
Association members: Chris Kamakas, Paul Kamakas
Operation: Dinnerhorn
Profile: Seafood restaurant
In business: 29 years
Seats: 200
Meals served: Lunch, dinner

The Dinnerhorn began as a takeout stand serving mostly fried clams. Today, it is a fullservice restaurant, with business getting better every year. A major remodeling planned for next year will add additional seating and parking and give the restaurant a more elegant look, according to vice president **Paul Kamakas.**

Seafood is still the specialty; but in addition to clams, the menu now includes lobster, haddock and shrimp. Kamakas recommends the *Seafood Saute Primavera,* made with lobster, shrimp, scallops and pasta.

The Dinnerhorn is on Route 1, about two miles from downtown Portsmouth, a town settled in the 1600s and home to the country's oldest naval shipyard. Beaches nearby bring in tourists, but locals and residents of a neighboring air base are the restaurant's regulars.

2 MID-ATLANTIC

Location: Cedar Grove, NJ
Association members: Francis Jacobs, Jr., Joanna Jacobs, Jennifer and Richard Wells
Operation: Friar Tuck Inn
Profile: Restaurant and in-house catering
In business: 36 years
Seats: 150
Meals served: Lunch, dinner

The Friar Tuck Inn, with five private party facilities that can seat from 50 to 400 people each, is busiest during the catering season. It offers wedding packages "from the cocktail hour to the serving of the wedding cake," says **Francis Jacobs, Jr.,** who also owns the Robin Hood Inn in Clifton, New Jersey. The private rooms, each with a dance floor, have been designed with the bride in mind, but the industries and corporations that hold their social functions there don't feel uncomfortable with the soft colors and glamorous trappings.

Located 20 miles from New York City, the Friar Tuck draws from an affluent metropolitan area. "We are in a pattern of consistent growth," says Jacobs.

3 SOUTH ATLANTIC

Locations: Morgantown and Fairmont, WV
Association members: Daniel and Rosemary Nagowski, Daniel A. Nagowski
Operation: Wings Ole
Profile: Three casual restaurants specializing in chicken wings
In business: 11 years
Seats: Largest seats 100; the other two seat 50
Meals served: Lunch, dinner

When the Nagowskis moved to Morgantown, West Virginia, from Buffalo, New York, and began their first restaurant, they brought with them the idea of Buffalo wings. The deep-fried wings with a special tomato sauce devised by the Nagowskis are still the restaurant's biggest seller. But another dish—fries and blue cheese—has proved so popular that 20,000 orders are sold each month, compared with 2,000 orders of plain french fries. Other items include enchiladas, tacos and burritos.

The Nagowskis now have three Wings Ole restaurants and are in the process of franchising. "We're pleased with the growth we're experiencing; but our biggest problem, with Morgantown's unemployment rate of 3 percent, is getting employees," says Nagowski daughter-in-law and office manager **Melissa Nagowski.** A third restaurant in Fairmont, West Virginia, is in an area of 14 percent unemployment, so it doesn't have this problem. (Fairmont is only 20 miles from Morgantown.)

4 EAST NORTH CENTRAL

Location: Dayton, OH
Association member: Bob Bartusch
Operation: Stockyards Inn
Profile: Historic midscale restaurant
In business: 88 years
Seats: 150
Meals served: Lunch, dinner, weekend brunch

A restaurant has been at the site of the Stockyards Inn since 1900; but what began as a stockyards commissioning office with tavern and sleeping rooms, is now a white-tablecloth, midscale establishment serving an extensive menu to business people or couples enjoying a night out.

When owner and manager **Bob Bartusch** bought the restaurant in 1978, he tried to restore the atmosphere of the old days by furnishing it with turn-of-the-century antiques. The seven sleeping rooms on the second floor have been converted into private dining rooms which hold 10 to 35 people. "[They are] nice settings for business meetings or anniversary celebrations," says Bartusch.

The inn specializes in steaks, prime rib, fresh fish and barbecued baby back ribs that have won rib cook-off prizes. The extensive wine list, containing about 200 different kinds of wine, has also been acclaimed. A cruvinet system makes it possible to offer 10 wines by the glass.

The Stockyards Inn is in a light-industrial section, five minutes from downtown Dayton. Bartusch says business this summer was the best he's had in 10 years.

5 EAST SOUTH CENTRAL

Location: Jonesboro, TN
Association members: Debra and Jeff Myron
Operation: The Parson's Table
Profile: Upscale restaurant with continental menu
In business: 2 years
Seats: 160
Meals served: Lunch, dinner

The Parson's Table is aptly named since it is housed in a building that used to be a church. The menu follows suit with "Heavenly Touches," headlining such entrees as *Shrimp Vol au Vent.* Co-owner **Debra Myron** says the small town of Jonesboro has taken well to its first taste of a "semi-classical" restaurant. "Business has been good," she says. Customers come not only from Jonesboro, but also from the nearby Smoky Mountain resort town of Gatlinburg and other surrounding towns.

Even though she's proud of the food, the most memorable thing about The Parson's Table is its atmosphere, Myron says. Tables covered in plum and dusty rose, candlelight, stained-glass windows, an original tin roof and servers dressed in Victorian garb recall the age when the church was built. Piped-in classical music and an occasional performing guitarist add to the mood.

6 WEST NORTH CENTRAL

Location: Seward, NE
Association members: Floyd and Jan Cooper, Jim Fish
Operation: Dandy Lion Inn
Profile: Casual family restaurant
In business: 6 years
Seats: 200
Meals served: Breakfast, lunch, dinner

The area surrounding Seward, in the southeastern part of Nebraska, hasn't suffered from the drought as badly as have some other farm communities, and Dandy Lion Inn Assistant Manager **Jim Fish** reports business is up a little from last year.

Fish says Dandy Lion attracts people from the small industries in and around Seward and has become a gathering place for organizations such as the local chamber of commerce. A senior-citizens' menu and discount attracts many elderly patrons, and families crowd in on Sunday when the restaurant serves breakfast, a lunch buffet and a prime-rib special at night.

7 WEST SOUTH CENTRAL

Location: Dallas, TX
Association members: Bruce Natale, Keith Carlson
Operation: Tolbert's Chili Parlor
Profile: Casual Tex-Mex
In business: 9 months
Seats: 430 (including 25 on patio)
Meals served: Lunch, dinner

Tolbert's Chili Parlor on North Market Street, in Dallas' West End historical district, is one of two restaurants of that name in the city. Business is so good—more than double since it opened last January—that more Tolbert's are planned for the future.

Named for Frank Tolbert, Texas historian, newspaper columnist and chili authority, the restaurants use his recipes for many of their Tex-Mex specialties. Chili comes in two versions—a dark-red, traditional Texas chili with bite and a less spicy version. Another Tolbert dish is *Donkey Tails*, a hot dog stuffed with cheese, wrapped in flour tortilla and deep fried.

Manager **Bruce Natale** says Tolbert's Chili Parlor sets the mood for casual, fun dining with its collection of Texas memorabilia. The walls are hung with a large Texas flag, as well as old pictures and clippings having to do with cowboys, Texas history and, of course, chili.

8 MOUNTAIN

Location: Provo, UT
Association members: Brent Beck, Norm Runyon
Operation: Tree Room Restaurant
Profile: Restaurant in resort community
In business: 18 years
Seats: 100
Meal served: Dinner

Built around a tree, the Tree Room Restaurant is part of Sundance, a resort community for the arts in Provo, Utah, owned and operated by Robert Redford. Writers, composers, artists and filmmakers spend time there perfecting their skills, but the dining, shopping and four ski lifts attract visitors from all over the world.

Redford's touch is very much in evidence in the decor of the Tree Room. His private Indian collection—rugs, baskets, beadwork and dolls—is on display, and the food is hearty with natural ingredients. The resort raises its own herbs and spices and uses fresh fruits and vegetables from area farms. Fresh fish is flown in daily from Alaska and the Gulf. One dish the restaurant is famous for is *Green Chiles Rellenos*, two Mexican chiles filled with mushroom duxelles and served with a goat cheese sauce.

"Business has grown by leaps and bounds," says vice president and general manager **Brent Beck.** "It's up 33 percent from last year. And group sales and banquet business have more than doubled."

9 PACIFIC

Location: Pendleton, OR
Association members: James and Laurie Sewell
Operation: Circle Barbecue
Profile: Full-menu restaurant specializing in barbecue
In business: 10 years
Seats: 120
Meals served: Breakfast, lunch, dinner

When the eastern Oregon town of Pendleton is host to the Pendleton Roundup, the third-largest rodeo in the nation, the Circle Barbecue serves as many as 3,000 meals a day. But business is good at other times, too—"up 22 percent over last year," says co-owner **James Sewell.** Sewell and his wife and partner Laurie barbecue chicken, ribs, beef and pork over apple and cherry wood in a smoker that holds 3,000 pounds of meat. A full menu offers other choices for those who can resist the barbecue.

The Sewell's antique collection decorates the restaurant. Walls and shelves hold Indian relics, Western memorabilia and a collection of guns and old carvings. To top it all off, an old buggy sits on the roof.

—Julie Fintel

Royal ghost for Royal Oak?

Kozlak's Royal Oak Restaurant in Shoreview, Minnesota, is putting its customers on the lookout for a ghost of a royal persuasion. In 1651, the exiled King Charles II hid in a large, hollow oak tree in Bascobel Wood in England to escape soldiers. The Royal Oak Restaurant may have gotten more than it bargained for by taking its name from this famous hiding place. It has been reported that on rare occasions, "when certain atmospheric and celestial conditions are in sync," King Charles II has been sighted in the vicinity of oak trees on the restaurant grounds. Customers are urged to keep a keen eye out for the king.

—Kozlak's Royal Oak Restaurant

Goodbye to mom and pop?

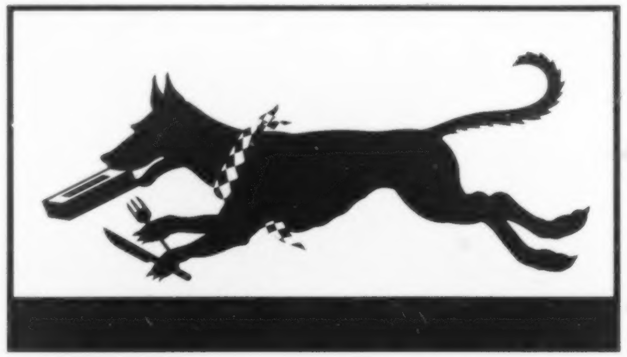
Although independent entrepreneurs are still considered the "backbone" of the franchising field, the profile of the typical franchisee is changing. A growing number of cash-rich investors and companies are buying franchises to take advantage of solid, profitable business opportunities. And franchisers are leaning more towards these experienced buyers and away from the less-experienced entrepreneurs who don't have the wherewithal to survive hard times.

—The Wall Street Journal

A new type of doggy bag

The new Chef's Delight Doggy Box will surely get a canine seal of approval. The container, which measures 9 x 8½ x 2½ inches and keeps food hot or cold, features a caricature of a dog—tail wagging, of course—and the words "I hope it's for me" embossed on the cover. But the question still remains: Will Rover ever see its contents?

—Creative Industries, Inc.



Museum dining with "the right stuff"

After 18 months of construction, the National Air and Space Museum in Washington, DC, launched its $14.3 million dining facility in September. The criss-crossed-steel-tubing-and-glass construction gives the 50,000-foot addition the appearance of a space vehicle and provides plenty of sunshine and a full view of the Mall and the Capitol. The facility features two restaurants: The Flight Line, an 800-seat cafeteria, and Wright Place, a midscale operation that seats 180. Since opening, the restaurants have been serving approximately 9,000 visitors daily.

—The Washington Times

Reading, writing and ravioli

The Pasta House Company, a 23-unit chain of family-oriented Italian restaurants, recently gave St. Louis-area schoolchildren a tasty introduction to the joys of reading and writing. The chain's "Reading, wRiting and Ravioli" program required a student to read a book and write a report on that book to receive a coupon for a free child's portion of ravioli at any participating Pasta House Restaurant. The program began in November 1987 and ended in May 1988, with more than 50,000 ravioli coupons distributed to students.

After 10 books and reports were completed, the students also received special certificates, suitable for framing, congratulating them on their accomplishments. To provide further incentive, the students' names were posted on a bulletin board in their local Pasta House Company restaurants. Teachers also were shown appreciation with special gift certificates from the chain.

—The Pasta House Company

Seeking the postcard record

Here's an address to add to your list of postcard recipients: David, c/o Miss M.C. Williams, St. Martin de Forres Infant School, Pastureways, Luton, Bedfordshire, England. Seven-year-old David is a cancer patient who wants to be entered in the *Guiness Book of World Records* as the boy who received the most postcards. Postcards from American restaurants would add variety to his growing collection—and maybe help him to set the record.

—The Royal Gazette

AIDS is not a foodborne disease

This new program consists of two 18-minute tapes. The first prepares management to handle the problems that might arise if an employee contracts AIDS or is rumored to have been infected by the disease. The second is directed toward employees and tells them how AIDS is contracted. It makes it clear that the foodservice workplace is safe in this regard, but warns how to protect health during non-working hours. These tapes are a must for establishments in which fear of AIDS is evident.

MG900, 2 videotapes, available in VHS and Beta, 1988. $29.95 (price includes both tapes.)

This concise pamphlet explains how the AIDS virus is transmitted. It makes clear that AIDS is not a foodborne disease; nor is it spread through casual contact. Designed to calm unnecessary fears, the panphlet also tells employees how to avoid AIDS during non-working hours.

PB010, 8 pgs., pamphlet, 1987, $1.00

You may know that AIDS can not be contracted through casual contact with fellow employees or through enjoying food and drink in a restaurant. It is important that your employees understand that, too.

These association publications can help you explain the facts about AIDS to your employees in a clear, concise manner. Educating your staff today will reduce any fear or misunderstanding that may disrupt your operation tomorrow.

This informative booklet includes basic facts about AIDS, how to prevent panic, the employment implications of AIDS, general food handling guidelines which should always be followed to ensure the health of guests and employees and exerpts from the Centers for Disease Control AIDS information.

CI300, 9 pgs., soft-cover book, 1986, $3.00 members, $10.00 non-members

- **All orders must be prepaid.**
- You may order by sending a check or money order to the National Restaurant Association Publications Department, 1200 17th St., N.W., Washington, DC 20036.
- All orders should include your association member number (if applicable), publication title and catalog number (five letter/number code printed in bold type).
- **Tax.** Washington, DC residents must add 6% sales tax to their order. Illinois residents must add 7% and residents of Chicago must add an extra 1%, making their total sales tax 8%.
- **Postage and handling**. For orders below $20, include $2 for postage and handling costs. For orders over $20, add 10% to the total cost. Postage for videotapes is $4 per tape.
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